United Nations

Report of the International Civil Service Commission for 2012

General Assembly
Official Records
Sixty-seventh Session
Supplement No. 30

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Report of the International Civil Service Commission for the year 2012

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Note

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Contents

Chapter — *Page*

Abbreviations v

Glossary of technical terms vi

Letter of transmittal x

Summary of recommendations of the International Civil Service Commission that call for decisions by the General Assembly and the legislative organs of the other participating organizations xi

Summary of recommendations of the International Civil Service Commission to the executive heads of the participating organizations xii

Summary of financial implications of the decisions and recommendations of the International Civil Service Commission for the United Nations and other participating organizations of the common system xiii

I. Organizational matters 1
   - A. Acceptance of the statute 1
   - B. Membership 1
   - C. Sessions held by the Commission and questions examined 2
   - D. Programme of work of the Commission for 2013-2014 2

II. Resolutions and decisions adopted by the General Assembly at its sixty-sixth session of concern to the Commission 3
   - Feasibility and suitability of reflecting the pay freeze of the comparator civil service in the administration of the post adjustment system 3

III. Conditions of service applicable to both categories of staff 8
   - A. Review of the level of the education grant 8
   - B. Report of the working group on the review of pensionable remuneration 12
   - C. Report of the working group on standards of conduct for the international civil service 16
   - D. Mandatory age of separation 18
   - E. Contractual arrangements: review of the implementation of the three types of contracts and the phasing-out of appointments of limited duration 22

IV. Conditions of service of staff in the Professional and higher categories 27
   - A. Base/floor salary scale 27
   - B. Evolution of the United Nations/United States net remuneration margin 28

C. Children's and secondary dependants' allowances: review of the level 31

D. Post adjustment matters 33

Report of the Advisory Committee on Post Adjustment Questions on its thirty-fourth session and agenda for the thirty-fifth session 33

E. Overview of mobility policies within organizations of the United Nations common system 38

V. Conditions of service of the General Service and other locally recruited categories of staff 45

Surveys of best prevailing conditions of employment at Rome (including the service differential) 45

VI. Conditions of service in the field 47

A. Danger pay 47

B. Rest and recuperation 53

C. Review of the security evacuation allowance and the extended monthly security evacuation allowance 58

Annexes

I. Programme of work of the International Civil Service Commission for 2013-2014 67

II. Revised list of representative schools at the primary and secondary levels 69

III. Proposed revisions to education grant and boarding cost levels 70

IV. Standards of conduct for the international civil service 72

V. Salary scale for the Professional and higher categories showing annual gross salaries and net equivalents after application of staff assessment, effective 1 January 2013 81

VI. Comparison of average net remuneration of United Nations officials in the Professional and higher categories in New York and United States officials in Washington, D.C., by equivalent grades (margin for calendar year 2012) 82

VII. Proposed agenda for the thirty-fifth session of the Advisory Committee on Post Adjustment Questions 83

VIII. Overview mobility policies within organizations of the United Nations common system 84

IX. Definition of mobility and types of mobility 96

X. Recommended net salary scale for staff in the General Service and other locally recruited categories in Rome 97

Abbreviations

CCISUA	Coordinating Committee for International Staff Unions and Associations of the United Nations System
CEB	United Nations System Chief Executives Board for Coordination
FAO	Food and Agriculture Organization of the United Nations
FICSA	Federation of International Civil Servants' Associations
IAEA	International Atomic Energy Agency
ICAO	International Civil Aviation Organization
ICSC	International Civil Service Commission
IFAD	International Fund for Agricultural Development
ILO	International Labour Organization
IMO	International Maritime Organization
ITU	International Telecommunication Union
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNISERV	United Nations International Civil Servants Federation
UNOPS	United Nations Office for Project Services
UPU	Universal Postal Union
WFP	World Food Programme
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WMO	World Meteorological Organization
UNWTO	World Tourism Organization

Glossary of technical terms

Average	Context: United States Federal Civil Service/United Nations system salary comparisons. A single number representing a set of numbers, computed such that it is not smaller than the smallest or larger than the largest number in that set.
Base/floor salary scale	For the Professional and higher categories of staff, a universally applicable salary scale is used in conjunction with the post adjustment system. The minimum net amounts received by staff members around the world are those given in this scale.
Career development	Career development concerns: (a) how individuals manage their career within and between organizations; and (b) how organizations structure the career progress of their members. It involves the development of occupational skills or training that provides practice and the refinement of skills related to a particular job or occupation. On an individual level, career development is a lifelong process of exploring, choosing and acting on educational and occupational options. It also includes the way in which individuals incorporate their values about work, their beliefs about their own interests and abilities, their decisions about education and their knowledge about the world of work and how to manage the interaction between work and other life roles. From an organizational point of view, career development usually involves a systematic programme of coordinated information and experiences designed to facilitate individual career development and management. This is often linked to succession planning, which is the process of identifying and preparing suitable employees, through mentoring, training and job rotation, to replace key players within an organization as their terms expire.
Civil Service Retirement System	Defined benefits scheme for employees of the United States Federal Civil Service hired before 1984.
Common scale of staff assessment	Scale used for adding taxes to the pensionable remuneration scale for both the Professional and General Service categories of staff; rates are derived from average taxes at the eight headquarters duty stations. This is different from the tax assessment rates used in conjunction with the Tax Equalization Fund.
Comparator	Salaries and other conditions of employment of staff in the Professional and higher categories are determined in accordance with the Noblemaire principle by reference to those applicable in the civil service of the country with the highest pay levels. The United States Federal Civil Service has been used as the comparator since the inception of the United Nations. See also "highest paid civil service" and "Noblemaire principle".
Contributory service	All United Nations common system staff members meeting certain criteria participate in the United Nations Joint Staff Pension Fund and contribute a percentage of their pensionable remuneration to the Fund. The period over which this contribution is made is termed "years of contributory service".

Competencies	**A combination of skills, attributes and behaviours that are directly related to successful performance on the job. Core competencies are the skills, attributes and behaviours which are considered important for all staff of an organization, regardless of their function or level. For specific occupations, core competencies are supplemented by functional competencies related to respective areas of work.**
Consolidation of post adjustment	**The base/floor salary scale for the Professional and higher categories is adjusted periodically to reflect increases in the comparator salary scale. This upward adjustment is made by taking a fixed amount of post adjustment and incorporating or "consolidating" it into the base/floor salary scale. If the scale is increased by consolidating 5 per cent of post adjustment, the post adjustment multiplier points at all duty stations are then reduced by 5 per cent, thus ensuring, generally, no losses or gains to staff. This method of implementation, referred to as "no gain/no loss", results in no change in take-home pay for staff and produces no additional costs related to salary for the organizations.**
Cost-of-living differential	**In net remuneration margin calculations, the remuneration of United Nations officials from the Professional and higher categories in New York is compared with their counterparts in the comparator service in Washington, D.C. As part of that comparison, the difference in cost of living between New York and Washington is applied to the comparator salaries to determine their "real value" in New York. The cost-of-living differential between New York and Washington is also taken into account in comparing pensionable remuneration amounts applicable to the two groups of staff mentioned above.**
Danger pay	**Danger pay is a special allowance established for internationally and locally recruited staff who are required to work in locations where very dangerous conditions prevail.**
Dependency rate salaries	**Net salaries determined for staff with a primary dependant.**
Federal employers retirement system	**Defined contribution scheme for employees of the United States Federal Civil Service hired in 1984 and thereafter.**
Flemming principle	**The basis used for the determination of conditions of service of the General Service and other locally recruited categories of staff. Under the application of the Flemming principle, General Service conditions of employment are based on best prevailing local conditions.**
General schedule	**A 15-grade salary scale in the comparator (United States) civil service, covering the majority of employees.**
Grossing-up factor	**In order to determine the pensionable remuneration scale, taxes are added to a certain percentage of the net remuneration; that percentage is called the grossing-up factor. The grossing-up factors are 46.25 and 66.25 per cent for the Professional and higher categories and the General Service and related categories, respectively.**
Grossing-up procedure	**The method used to determine gross salaries/pensionable remuneration from net salaries.**

Headquarters locations	Headquarters of the organizations participating in the United Nations common system are: Geneva, London, Madrid, Montreal, New York, Paris, Rome and Vienna. While the Universal Postal Union is headquartered at Berne (Switzerland), post adjustment and General Service salaries at Geneva are currently used for Berne.
Highest paid civil service	Under the application of the Noblemaire principle, salaries of United Nations staff in the Professional and higher categories are based on those applicable in the civil service of the country with the highest pay levels, currently the United States. See also "Comparator" and "Noblemaire principle".
Income inversion	Context: comparison of gross salaries (pensionable remuneration) of General Service staff with the pensionable remuneration of Professional staff. The phenomenon relates to situations where the same or lower net remuneration received by staff in one category leads to a pensionable remuneration higher than that of staff from another category receiving the same or higher net remuneration.
Income replacement ratio	The ratio of pension to average net salary received during the same three-year period used in the determination of the pension benefit.
Interim adjustment	Context: pensionable remuneration. Adjustment to pensionable remuneration amounts between comprehensive reviews.
Net remuneration	Base/floor plus post adjustment.
Non-pensionable component	Context: General Service pensionable remuneration. Some outside employers used in General Service salary surveys pay, in addition to gross salaries, a number of allowances and fringe benefits, some of which they consider as "non-pensionable", that is, not taken into account in determining the retirement benefits of their employees. Those are added together to arrive at the "non-pensionable component". The sum of all "non-pensionable" elements is expressed as a percentage of net salary, which is reduced by the applicable threshold to arrive at the "non-pensionable component".
Net remuneration margin	The Commission regularly carries out comparisons of the net remuneration of the United Nations staff in grades P-1 to D-2 in New York with that of the United States Federal Civil Service employees in comparable positions in Washington, D.C. The average percentage difference in the remuneration of the two civil services, adjusted for the cost-of-living differential between New York and Washington, D.C., is the net remuneration margin.
Noblemaire principle	The basis used for the determination of conditions of service of staff in the Professional and higher categories. Under the application of the principle, salaries of staff in the Professional category are determined by reference to those applicable in the civil service of the country with the highest pay levels. See also "Comparator" and "Highest paid civil service".
Pensionable remuneration	The amount used to determine contributions from the staff member and the organization to the United Nations Joint Staff Pension Fund. Pensionable remuneration amounts are also used for the determination of pension benefits of staff members upon retirement.

Performance management	The process of optimizing performance at the level of the individual, team, unit, department and agency and linking it to organizational objectives. In its broadest sense, effective performance management is dependent on the effective and successful management of policies and programmes, planning and budgetary processes, decision-making processes, organizational structure, organization of work and labour-management relations, and human resources.
Post adjustment index	Measurement of the living costs of international staff members in the Professional and higher categories posted at a given location compared with such costs in New York at a specific date.
Post adjustment classification	Classification of a duty station that is based on the cost-of-living index. It is expressed in terms of multiplier points. For example, staff members at a duty station classified at multiplier 5 would receive a post adjustment amount equivalent to 5 per cent of net base salary as a supplement to base pay.
Special operations approach	Organizations using the special operations approach assign staff required to work in non-family duty stations to a nearby location, known as the administrative place of assignment, with the necessary infrastructure in terms of educational, housing and health facilities to allow such staff and their families to maintain a home base in the region, while the staff member proceeds on travel status to the non-family duty station where (s)he is required to perform official duties, which is referred to as the place of duty. Benefits and allowances, including post adjustment and hardship allowances, are paid at the rate of the administrative place of assignment. To cover the costs of maintaining a second household at the place of duty, staff are paid a special operations living allowance in addition to what they receive at the administrative place of assignment.
Single rate salaries	Net salaries determined for staff without a primary dependant.
Staff assessment	Salaries of United Nations staff from all categories are expressed in gross and net terms, the difference between the two being the staff assessment. Staff assessment is a form of taxation, internal to the United Nations, and is analogous to taxes on salaries applicable in most countries.
Tax abatement	In the context of dependency allowances, tax credit or relief provided to taxpayers who are responsible for the financial support of dependants (spouse, children, parents, etc.) in the tax systems of a number of countries.
Tax Equalization Fund	A fund maintained by, for example, the United Nations, that is used for reimbursing national taxes levied on United Nations income for some staff members.

Letter of transmittal

14 August 2012

Sir,

I have the honour to transmit herewith the thirty-eighth annual report of the International Civil Service Commission, prepared in accordance with article 17 of its statute.

I should be grateful if you would submit this report to the General Assembly and, as provided in article 17 of the statute, also transmit it to the governing organs of the other organizations participating in the work of the Commission, through their executive heads, and to staff representatives.

(*Signed*) Kingston P. **Rhodes**
Chair

His Excellency
Mr. Ban Ki-moon
Secretary-General of the United Nations
New York

Summary of recommendations of the International Civil Service Commission that call for decisions by the General Assembly and the legislative organs of the other participating organizations

Paragraph reference

A. Conditions of service applicable to both categories

1. Review of the level of the education grant

44 and annex III — The Commission recommends to the General Assembly that, as of the school year in progress on 1 January 2013, the maximum education grant for 12 zones should be adjusted and that the normal flat rates and the additional flat rates for boarding should be revised for 14 zones, as shown in annex III. It also recommends that the special measures for China, Hungary, Indonesia and the Russian Federation and for the eight specific schools in France be maintained, while those for Romania should be discontinued. It further recommends that the special measures be introduced for Thailand and for specific schools in Tunisia and South Africa.

2. Report of the working group on standards of conduct for the international civil service

71 and annex IV — The Commission decided to submit to the General Assembly for its approval the revised standards of conduct for the international civil service as contained in annex IV.

3. Mandatory age of separation

85 (a) — The Commission decided to support the recommendation of the United Nations Joint Staff Pension Board to raise the mandatory age of separation to 65 years for new staff of the member organizations of the Pension Fund effective no later than 1 January 2014.

B. Remuneration of the Professional and higher categories

1. Base/floor salary scale

110 and annex V — The Commission recommends to the General Assembly, for approval, with effect from 1 January 2013, the base/floor salary scale for the Professional and higher categories shown in annex V to the present report.

2. Evolution of the United Nations/United States net remuneration margin

121 and annex VI — The Commission noted that a post adjustment multiplier of 68.0 would become due in New York on 1 August 2012. In this case, United Nations/United States net remuneration margin for 2012 would amount to 117.7, with its five-year average (2008-2012) standing at 114.9. The Commission decided, however, to defer the promulgation of the revised New York post adjustment multiplier in view of the financial situation of the United Nations as described by the Secretary-General. It also decided that, unless the General Assembly acted otherwise, the multiplier would be promulgated on 1 January 2013, with a retroactive effect as of 1 August 2012.

Summary of recommendations of the International Civil Service Commission to the executive heads of the participating organizations

Paragraph reference

Conditions of service of the General Service and other locally recruited categories

Paragraph reference	
170 and annex X	**As part of its responsibilities under article 12, paragraph 1, of its statute, the International Civil Service Commission conducted the survey of best prevailing conditions of employment for General Service staff in Rome and recommended the resulting salary scale to the executive heads of the Rome-based organizations, as shown in annex X.**

Summary of financial implications of the decisions and recommendations of the International Civil Service Commission for the United Nations and other participating organizations of the common system

Paragraph reference

A. Conditions of service applicable to both categories

Review of the level of the education grant

43 The financial implications associated with the Commission's recommendations regarding the education grant are estimated at $1.9 million per annum, system-wide.

B. Remuneration of staff in the Professional and higher categories

Base/floor salary scale

109 The financial implications associated with the Commission's recommendation on an increase of the base/floor salary scale as shown in annex V to the present report were estimated at approximately $60,000 per annum, system-wide.

C. Remuneration of staff in the General Service and other locally recruited categories of staff

Survey of best prevailing conditions of employment for staff in the General Service and related categories in Rome

173 The notional savings associated with the implementation of the revised salary scale for staff in the General Service and related categories in Rome arising from the survey conducted by the Commission are estimated at $7.8 million per annum, system-wide.

D. Danger pay

204 With the increase in the level of danger pay for locally recruited staff from 25 to 30 per cent effective 1 January 2013, and assuming that the number of staff receiving danger pay remained the same, the financial implications associated with the Commission's decision are estimated at $9.9 million per annum, system-wide.

Chapter I

Organizational matters

A. Acceptance of the statute

1. Article 1 of the statute of the International Civil Service Commission (ICSC), approved by the General Assembly in its resolution 3357 (XXIX) of 18 December 1974, provides that:

> "The Commission shall perform its functions in respect of the United Nations and of those specialized agencies and other international organizations which participate in the United Nations common system and which accept the present statute ..."

2. To date, 13 organizations have accepted the statute of the Commission and, together with the United Nations itself, participate in the United Nations common system of salaries and allowances.[1] One other organization, although not having formally accepted the statute, participates fully in the work of the Commission.[2]

B. Membership

3. The membership of the Commission for 2012 is as follows:

Chair

Kingston P. Rhodes (Sierra Leone)***

Vice-Chair

Wolfgang Stöckl (Germany)**

Members

Marie-Françoise Bechtel (France)***
Fatih Bouayad-Agha (Algeria)*
Shamsher M. Chowdhury (Bangladesh)*
Minoru Endo (Japan)**
Carleen Gardner (Jamaica)***
Sergei V. Garmonin (Russian Federation)*
Luis Mariano Hermosillo (Mexico)**
Lucretia Myers (United States of America)**
Emmanuel Oti Boateng (Ghana)***
Gian Luigi Valenza (Italy)**
Wang Xiaochu (China)*
Eugeniusz Wyzner (Poland)***
El Hassane Zahid (Morocco)*

* Term of office expires on 31 December 2012.
** Term of office expires on 31 December 2013.
*** Term of office expires on 31 December 2014.

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[1] ILO, FAO, UNESCO, ICAO, WHO, UPU, ITU, WMO, IMO, WIPO, IAEA, UNIDO and UNWTO.

[2] IFAD.

C. Sessions held by the Commission and questions examined

4. The Commission held two sessions in 2012, the seventy-fourth, which was held from 27 February to 9 March at the Economic and Social Commission for Asia and the Pacific in Bangkok, and the seventy-fifth, which was held from 9 to 20 July at United Nations Headquarters in New York.

5. At those sessions, the Commission examined issues that derived from decisions and resolutions of the General Assembly as well as from its own statute. A number of decisions and resolutions adopted by the Assembly that required action or consideration by the Commission are considered in the present report.

D. Programme of work of the Commission for 2013-2014

6. The programme of work of the Commission for 2013-2014 is contained in annex I.

Chapter II

Resolutions and decisions adopted by the General Assembly at its sixty-sixth session of concern to the Commission

Feasibility and suitability of reflecting the pay freeze of the comparator civil service in the administration of the post adjustment system

7. The Commission considered a request by the General Assembly, as contained in section B.1 of its resolution 66/235, that it: explore the feasibility and suitability of possible measures to reflect in the administration of the post adjustment system the pay freeze of the comparator civil service; determine whether the implementation of such measures falls under its authority; exercise such authority as appropriate; and report thereon to the General Assembly at its sixty-seventh session.

Discussion in the Commission

8. In considering the matter, the Commission reviewed several documents prepared by its secretariat. In particular, the Commission was provided with the opinion of the Legal Counsel on the issue of the Commission's authority to implement ad hoc measures in the administration of the post adjustment system designed to reflect the pay freeze in the comparator civil service. The Commission was also provided with analyses of issues by its secretariat to be taken into consideration in determining the suitability and feasibility of ad hoc measures.

9. Representatives of the Human Resources Network of CEB stressed that organizations of the United Nations common system fully recognized and appreciated the severity of the present economic situation, which was affecting Member States, organizations and staff alike, in both professional and personal contexts. In this regard, they outlined specific austerity measures that various organizations had taken and continued to take in order to manage with limited resources, to cut costs and to streamline organizational activities. The Network also pointed out that at the same time that Member States were demanding that organizations be transformational and deliver on results, the Commission had in fact been taking conservative and pragmatic decisions in adjusting allowances and benefits. While they recognized the need to respond to the financial pressures being experienced by Member States, they strongly believed that the technical soundness and integrity of the methodology developed by the Commission for calculating and adjusting salaries of United Nations system staff must be respected, adding that the reactive introduction of ad hoc solutions could result in long-term consequences that would jeopardize the competitiveness of the United Nations and the operational effectiveness of its organizations and their ability to deliver on their mandates.

10. The representatives of the three staff federations supported the statement made by the Human Resources Network.

11. CCISUA pointed out that from a technical point of view, the system of post adjustment and the margin methodologies were serving the purpose for which they had been created. While the former ensured purchasing power parity, based on clear, objective criteria, the latter recognized certain disadvantages for expatriates, including career prospects, job security and stability, as well as the fact that, in many

cases, the United Nations staff member was his or her family's sole breadwinner. Should these disadvantages no longer receive due consideration through the margin, it was proposed that job security be reviewed in line with the comparator, where 90 per cent of civil servants in the United States of America had permanent contracts. He added that for nearly 30 years, the General Assembly had consistently held that the range of 110 to 120 for the margin between the net remuneration of officials in the Professional and higher categories of the United Nations in New York and officials in comparable positions in the comparator civil service was the best way to deliver the Noblemaire principle. If a political decision was being made to move away from the highest standards of competence, efficiency and integrity, then Article 101 of the Charter would need to be modified. To decide otherwise would be to favour short-term political objectives and would allow a clear and very real risk of undermining, structurally, the Commission's technical foundation in matters of remuneration. The system had proven itself able to withstand technical reviews and criticisms and also clearly demonstrated its methodological and technical soundness.

12. FICSA stated that the issue under consideration was a complex one: it was technical, but it was also legal, insofar as it had a bearing on broader governance issues. The matters of feasibility and suitability could certainly be tackled based on technical issues, such as the use of data that had not been adjusted by the cost-of-living differential between New York and Washington, D.C., or the comparison of post adjustment with components of the United States civil service pay that were based on different adjustment mechanisms, such as the locality pay. FICSA maintained, however, that the methodology should not be permanently altered to address temporary situations. The methodology and the current band of fluctuation of the margin ensured an appropriate reflection of external conditions. FICSA therefore objected to corrective actions at the methodological level to reflect the comparator's pay freeze, as it would make the United Nations compensation even less competitive than at present and would put the common system organizations at a disadvantage.

13. UNISERV supported the statements of CCISUA and FICSA, adding that no change was required to the present methodology and margin, as they worked well with the built-in system. Should the margin go above the range, a freeze would automatically come into place. For mobility purposes, post adjustment was also an incentive for staff to move.

14. The Commission focused on three specific questions posed by the General Assembly in resolution 66/235, namely:

(a) Feasibility of measures to reflect the pay freeze of the comparator civil service in the administration of the post adjustment system;

(b) Suitability of such measures;

(c) Authority to implement such measures.

15. On the issue of feasibility, the Commission first noted that the principles underlying the compensation systems of the United Nations common system and that of the comparator civil service were fundamentally different. While the comparator's remuneration system was based on comparisons of labour costs, the United Nations remuneration was driven largely by movement in the cost-of-living mechanism through the operation of the post adjustment system. In order to ensure that the relationship between the net remuneration in the two civil services remained

within acceptable limits, the General Assembly, in its resolution 40/244, had approved, in 1985, a margin range of 110 to 120.

16. Under the post adjustment system, the net remuneration in New York, the base of the United Nations system, evolved primarily through the evolution of cost-of-living indicators published by the United States Bureau of Labor Statistics. The post adjustment system also served to ensure the purchasing power parity of United Nations salaries in all other duty stations as compared with New York. It was clear that if the net remuneration margin was in danger of exceeding the upper limit of 120 of the range, then the Commission had to take measures under the operation of the post adjustment system to freeze post adjustment in New York, which would then result in proportionate effects on all other duty stations. However, as that was not presently the case, it was necessary to seek clarity on the extent of the Commission's authority under the operation of the post adjustment system. Also, bearing in mind articles 10 and 11 of its statute, the Commission considered the opinion of the Legal Counsel that had been sought by its secretariat. The Commission then agreed that it could take only such measures in the operation of the post adjustment system that were consistent with the methodology and the margin mechanism established by the General Assembly.

17. The Commission recalled that measures to constrain or withhold increases in net remuneration of United Nations common system Professional staff already existed. They consisted in the suspension of the normal operation of post adjustment and freezing the post adjustment classification at the base of the system, New York, and, concurrently, at all other duty stations, to the same extent as that to which the New York post adjustment would be frozen. Not only had such measures been established, but they had also been applied in the past, in particular, between 1983 and 1985 (prior to the establishment of the margin range) as a result of the decision by the General Assembly to reduce the net remuneration margin and to bring it within the newly established range. The Commission therefore considered that it was feasible to apply the same approach to reflect the pay freeze of the comparator civil service, if the Assembly so decided.

18. With regard to the General Assembly's question of whether the implementation of such measures fell under the authority of the Commission, the Commission reviewed the above-mentioned opinion of the Legal Counsel, who had concluded that "the International Civil Service Commission had the authority to take measures in the administration of the post adjustment system provided that such measures were consistent with the methodology and with the range and requisite level for the margin of United Nations net remuneration over that of the United States civil service that the General Assembly had established. Of course, the Commission also had the authority to make recommendations to the General Assembly about administering the post adjustment system in any manner that the General Assembly may determine to be in the best interests of the Organization." It was therefore clear that, as long as the margin remained within the established limits, the Commission was not authorized to suspend the normal operation of the post adjustment system at its own discretion and that the Commission's legal mandate in this regard was limited to making appropriate recommendations to the General Assembly. In addition, the introduction of such measures would contradict numerous judgements of tribunals which have repeatedly concluded that the Commission should follow its own methodologies, once established and approved.

19. As far as the suitability of such measures was concerned, most members of the Commission were of the view that the existing arrangements for adjusting United Nations salaries were working as intended. It was recalled that, on the basis of the normal operation of the post adjustment system, no growth had been recorded in the United Nations net remuneration in New York between August 2008 and August 2011. During most of that period, the comparator civil service remuneration continued to grow, until January 2011, when the ongoing statutory pay freeze was introduced by the comparator. Moreover, if the present trends continued, they were likely to trigger a net remuneration freeze in the United Nations common system as early as 2013 as a normal consequence of the evolution of the post adjustment, coupled with the established margin management mechanism.

20. As for events unfolding in the broader spectrum of national civil services, the general view was that it would not be appropriate to assess the situation based on a limited sample of Member States. While not minimizing in any way the difficult situation that they were facing, even the limited data that was available showed that Member States had resorted to a wide variety of approaches, if any at all, in response to ongoing economic and fiscal pressures. Therefore, a more comprehensive analysis of the situation was required. Nevertheless, it was pointed out that some Member States were implementing significant cuts or freezes in pay and benefits and/or reducing the size of their national civil services. A suggestion was therefore made that United Nations common system staff should also contribute, with a limited pay freeze, to the improvement of the financial situation of their organizations.

21. In the opinion of some members, a freeze effected through the post adjustment system was not only feasible, but should also be recommended to the General Assembly as an appropriate way of considering the Assembly's long-standing request that the Commission take into account "the limitations imposed by Member States on their national civil services". In 2011, the Commission completed a Noblemaire study and concluded that the United States civil service continued to be the highest paid national civil service — thus the United States remained the comparator. When the Commission made decisions on pay and benefits for the common system, it was reasonable and appropriate to take into account both enhancements and limitations imposed on the comparator civil service. Doing nothing and allowing salaries to grow to a 20 per cent margin above United States salaries would ignore the freeze in the comparator's salaries and the long-standing request of the General Assembly to take into consideration limitations imposed by Member States on their national civil services. The 120 upper limit of the margin, that is, United Nations salaries that are 20 per cent higher than the comparator civil service, had not been reached since the limit was originally set by the General Assembly in 1985. To reach such a peak in United Nations salaries at this time of world financial crisis would place an unwarranted burden on Member States. Those members expressed the view that taxpayers could not be expected to continue to pay for salary increases in the United Nations common system while curtailing the pay and benefits of their own national civil services.

22. In this connection, some other members, while conscious of the financial crisis faced by some Member States and sympathetic to the motivation behind the post adjustment freeze proposal tabled at the sixty-sixth session of the General Assembly, considered it appropriate to deal with this situation, unless otherwise decided, within the framework of the existing margin methodology, which was designed to

cope even with this emergency situation. Therefore, the Commission should closely monitor the margin movement and act appropriately when the margin was at risk of breaching the upper limit of the established range.

23. On the other hand, it was pointed out that the universal role of the United Nations system in international affairs should be adequately supported. In this context, it was noted that remuneration levels of the United Nations were significantly below those of other international organizations, such as the World Bank, the International Monetary Fund, the North Atlantic Treaty Organization, and other coordinated organizations, and care needed to be taken so as not to further jeopardize the competitiveness of the common system vis-à-vis those organizations. The Commission was informed that in the European Union and in the coordinated organizations, reforms of the compensation package were under way, which could reduce, in the future, their advantage over the United Nations common system package.

24. In addition, it had to be recognized that the organizations had been facing serious budgetary constraints for many years and were fully in tune with the times of economic constraint. Austerity measures had already been taken, and continued to be taken, to manage with limited resources, to do more with less and to streamline. While the organizations should continue to explore ways to cut costs, it was important to ensure that any additional short-term measures aimed at introducing changes into the present post adjustment and margin mechanisms should not have unintended negative long-term consequences. The organizations would not need a salary freeze to make savings, as they could find those savings elsewhere. It was recalled that the organizations were already faced with difficulties in recruiting staff, in particular, from the comparator country, which was manifested, inter alia, by the fact that the comparator remained an underrepresented country in the Secretariat of the United Nations.

25. Based on the above considerations, most members of the Commission considered that no additional measures to reflect the comparator freeze were required at the present stage, especially in view of the fact that the present margin level was well within the established range and that its last five-year average had remained close to, and had in fact been even lower than, the desirable midpoint.

Decisions of the Commission

26. The Commission decided to report to the General Assembly that:

(a) The Commission did not have the authority to take measures in the administration of the post adjustment system that were not consistent with the United Nations/United States margin methodology, as established by the Assembly;

(b) The existing mechanisms for adjusting United Nations salaries were working well, and it was therefore not convinced of the suitability of introducing additional measures to reflect, in the administration of the post adjustment, the pay freeze in the comparator civil service;

(c) If the General Assembly decided that such additional measures were necessary, it would be technically possible to implement them in the post adjustment system on the basis of the margin management arrangements already in place. In that case, it would be desirable that any such measure be a one-time event, with a finite duration.

Chapter III

Conditions of service applicable to both categories of staff

A. Review of the level of the education grant

27. The Commission had before it proposals by the CEB secretariat for a review of the level of the education grant on the basis of the analysis of expenditure data on 18,296 claims for the academic year 2010/11 in the 15 individual country/currency areas for which the education grant was administered. The analysis was done in accordance with the existing methodology introduced in 1992.

28. In this context, the Commission was informed that the ongoing review of the methodology for determining the education grant had not been completed owing to the unavailability of some vital information and data required to carry out the necessary study and analyses. The ICSC secretariat intended to continue working with the organizations towards completing the methodology review at the earliest opportunity. It was further recalled that, owing to the difficulties in collecting tuition fee data at the post-secondary level reported by the CEB secretariat at the time of the 2010 review of the education grant level, the Commission had agreed that representative schools should be selected only at the primary and secondary levels. Thus, in Japan, the United Kingdom, the United States and three countries in the United States dollar area outside United States area, the post-secondary institutions were replaced by primary and secondary schools, as shown in annex II.

29. The CEB secretariat proposed the following as from the academic year in progress on 1 January 2013:

(a) On the basis of the movement of costs and fees, the revision of maximum admissible expenditure levels for all individual education grant zones, except Ireland, Japan and Sweden;

(b) On the basis of consumer price indices, the revision of normal flat rates for boarding and additional flat rates for designated duty stations for all zones, except for Switzerland;

(c) Continuation of special measures for China, Hungary, Indonesia, Romania and the Russian Federation, as well as for the eight specific schools in France; and the introduction of special measures for Mongolia, South Africa, Thailand, Tunisia and Turkey and three schools in Belgium.

Discussion in the Commission

30. The Human Resources Network emphasized the critical role of the education grant in the compensation package for maintaining the competitiveness of recruitment into organizations and for facilitating the geographic mobility of its staff. It supported the proposed adjustments to the education grant and boarding flat rate levels as well as the introduction or continuation of special measures for eligible countries. The Network also expressed its interest in a speedy process to finalize the review of the education grant methodology.

31. The staff representatives acknowledged the major undertaking of data collection and detailed analysis conducted by the CEB secretariat and supported the proposed adjustments. In particular, FICSA confirmed that the information

presented was consistent with the feedback received by its constituency, including the requests received from staff in Thailand and South Africa for urgent review of the claim experience. Stressing the principle of equity and the important role that the education grant has in a staff member's choice of duty station, CCISUA and UNISERV fully supported the requests for special measures in Romania, France, Thailand, South Africa, Turkey and Mongolia.

32. The Commission noted a 24 per cent increase in the number of claims for the education grant since the last biennium review in 2010, which was owing primarily to the harmonization of conditions of service in the United Nations as of 1 July 2009. As a result, the total cost of the education grant scheme had grown from $153 million in 2009 to $207 million system-wide in 2011.

33. The Commission would have preferred to review the grant level upon the completion of the ongoing methodology review. However, in its view, it would not be appropriate to defer the consideration of the grant level until the completion of this review, given the need to maintain the grant at adequate levels. Therefore, the Commission came to an agreement that it would proceed to address the proposed adjustments.

34. At the same time, the Commission was aware of the present economic difficulties which required financial and budgetary austerity by organizations in the common system and Member States. It further recalled that the General Assembly, in its recent resolution, had reiterated its request that ICSC bear in mind the limitations imposed by Member States on their national civil services in regulating and coordinating the conditions of service of staff of the common system. The Commission therefore considered that a conservative approach to reviewing the education grant levels was more than justified in the present economic and financial situation. In this context, it believed that the proposals of the CEB secretariat needed to be revised.

35. The Commission noted that while the education grant review took into account the movement of costs and fees, the adjustment of specific grant levels had always been done in a pragmatic way. In this regard, it recalled its approach to the 2010 review whereby in all cases the adjustments were limited to the fee movement or the percentage increase required to bring 95 per cent of claims within the ceiling, whichever was lower. Under the present circumstances, however, it believed that an even more stringent approach would be required. It was pointed out that the education grant scheme was based on the principle of shared responsibility of organizations and staff for covering education-related expenses of their children. It would thus be only fair if the staff of the common system also shared some of the burden of the increase in the cost of education.

36. Having considered several options, the Commission decided to modify the 2010 approach by applying a further reduction factor to the adjustments proposed. It thus considered that the maximum admissible expense levels should be adjusted by 50 per cent of the average tuition fee movement in each education grant area which met the methodology triggers for adjustment, i.e. 5 per cent increase in tuition and at least 5 per cent of the claims above the established maximum. In the case of Austria, however, the percentage required to bring 95 per cent of the claims within the ceiling was lower than 50 per cent of the fee movement. The Commission thus opted for the former factor to be used as a basis for adjustment.

37. The Commission decided to follow the same approach in reviewing flat rates for boarding. It was determined that the rate of adjustment should be limited to 50 per cent of the movement of consumer price index, except Switzerland, where the consumer price index movement over the two-year period under study was negative.

38. The proposals for special measures were reviewed on a case-by-case basis. Acknowledging the continuously high percentages of claims exceeding the maximum admissible expenses in China, Hungary and Indonesia, the Commission decided to maintain the existing special measures in those countries. Owing to the continued discrepancy in tuition fees between English-language and French-language schools in Paris, the existing special measures for the eight specific schools in France would also be maintained.

39. The Commission noted that only two claims exceeded the maximum admissible expenses in Romania, which did not meet the trigger for a regular review of smaller zones (at least five claims) and could not find a justification to maintain the existing special measures for that country.

40. In the case of the Russian Federation, eight claims were found to have exceeded the maximum admissible expenses. With a significant negative impact anticipated on staff serving in the country in the absence of the special measures, the Commission decided to maintain it.

41. The conditions in Thailand, South Africa, Tunisia, Mongolia, Turkey and Belgium, for which the CEB secretariat proposed the introduction of special measures, were considered carefully, with additional information provided by organizations which had staff members serving in those countries:

(a) Thailand: a high percentage of claims in the country exceeded the maximum admissible expenses applicable to the United States dollar outside the United States area owing to high tuition fees of international schools in Bangkok. Recognizing that about 40 per cent of the total cost needed to be covered by the staff serving in Bangkok under the existing maximum admissible expenses, the Commission agreed to introduce the special measures for Thailand;

(b) South Africa: there was only one school in Johannesburg that offered the International Baccalaureate Diploma, namely, the American International School of Johannesburg. Therefore, the Commission concluded that the special measures would be granted only for that school;

(c) Tunisia: the American Cooperative School in Tunis was the only English-language school that offered the International Baccalaureate Diploma, while there were an adequate number of French-language schools in Tunisia. Therefore, special measures were recommended for the American Cooperative School in Tunis;

(d) Mongolia: the International School of Ulaanbaatar was the only school in the country offering the International Baccalaureate programme. The rationale for proposing the introduction of special measures was a significant increase in tuition fees from the school year 2011/12 that was initially announced by the school. As a result of the negotiations between the United Nations country team and the school management, however, the fee increase was limited to 8.5 per cent, which would in turn maintain the total admissible expenditure within the current ceiling. The Commission, therefore, did not find a reason to grant the special measures at this time;

(e) Turkey: the Istanbul International Community School charged a high one-time fee for new entrants, bringing the total education-related cost beyond the maximum admissible expenses. The total fee at the British International School of Istanbul was also high, exceeding the current maximum admissible expenses. Nevertheless, the Commission did not have enough information regarding the breakdown of the total fees and concluded that the situation might be dealt with more appropriately if the ICSC Chair might exceptionally increase the level of the maximum admissible expenses at the request of the organizations to allow for a separate reimbursement of the capital assessment fee;

(f) Belgium: the tuition fees of three English-language schools in Brussels were much higher than the current maximum admissible expenses applicable to the country. As English-speaking families were considered at a disadvantage compared with those French-speaking families that had the option of sending their children to less expensive French-language schools, the request for special measures was made for the three schools. The Commission, however, could not ascertain the number of children studying in those schools, the number of claims above the maximum and the extent to which those claims exceeded the maximum admissible expenses. It was therefore not in a position to approve the proposed introduction of the special measures.

42. The Commission stressed the need for a speedy completion of the ongoing review of the methodology for determining the grant and requested the organizations' cooperation in providing the latest data necessary for further study by the ICSC secretariat.

43. The Commission noted that the system-wide cost implication of the review of the education grant levels was estimated at $1.91 million per annum, system-wide.

Decisions of the Commission

44. The Commission decided to recommend to the General Assembly that:

(a) For Austria, Belgium, Denmark, France, Germany, Italy, the Netherlands, Spain, Switzerland, the United Kingdom, the United States and the United States dollar area outside the United States, the maximum admissible expenses and the maximum education grant be adjusted as shown in annex III, table 1, to the present report;

(b) For Ireland, Japan and Sweden, the maximum admissible expenses and the maximum education grant remain at current levels as shown in annex III, table 1, to the present report;

(c) For Austria, Belgium, Denmark, France, Germany, Ireland, Italy, Japan, the Netherlands, Spain, Sweden, the United Kingdom, the United States and the United States dollar area outside the United States, the normal flat rates for boarding, taken into account within the maximum admissible educational expenses, and the additional amount for reimbursement of boarding costs over and above the maximum grant payable to staff members serving at designated duty stations, be revised as shown in annex III, table 2, to the present report;

(d) For Switzerland, the normal flat rate for boarding and additional flat rate for designated duty stations be maintained at the current level as shown in annex III, table 2, to the present report;

(e) The special measures for China, Hungary, Indonesia and the Russian Federation, as well as for the eight specific schools in France (namely, American School of Paris, British School of Paris, International School of Paris, American University of Paris, Marymount International School of Paris, European Management School of Lyon, École Active Bilingue Victor Hugo and École Active Bilingue Jeannine Manuel) be maintained;

(f) The special measures for Romania be discontinued;

(g) Special measures be introduced in Thailand and for the American Cooperative School in Tunis, and the American International School of Johannesburg, South Africa;

(h) All above-mentioned adjustments and measures be applicable as from the school year in progress on 1 January 2013.

B. Report of the working group on the review of pensionable remuneration

45. In its annual report for 2011, the Commission informed the General Assembly that it would continue its review of pensionable remuneration in two phases as follows:

(a) Phase I: develop a methodology for comparing the United States/United Nations pension schemes;

(b) Phase II: overall review of pensionable remuneration methodologies:

(i) Elements contributing to the income inversion;

(ii) Logical basis for the use of dependency tax rates versus single tax rates in constructing the common scale;

(iii) Relationship between the actual average years of contributory service and the grossing-up factor;

(iv) National tax rates and the use of weights accurately reflecting choices made by staff regarding where they choose to live.

46. In addition, the Commission requested that two other items relating to pensionable remuneration, namely, the non-pensionable component and the service differential, be reviewed. The issue of the non-pensionable component was considered by the working group on the review of the General Service salary survey methodology, but there were differing views among its members and no recommendation could therefore be agreed upon. Accordingly, the Commission decided that the item would be considered in the context of the current review of pensionable remuneration. Since the service differential issue was unique to the Rome-based organizations, it was agreed that the item would be considered during the comprehensive salary survey in Rome scheduled for 2012.[3]

47. For the purpose of the review, the Commission established a working group comprising four members of the Commission, representatives of six organizations,

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[3] The consideration of the service differential is reported in paras. 186 and 187 of the present report.

representatives of the three staff associations as well as the United Nations Joint Staff Pension Fund and ICSC secretariats. The working group met on two occasions and addressed the concerns and issues relating to individual components of the pensionable remuneration scale as well as the comparability of the United States/United Nations schemes as per its terms of reference and presented its findings and recommendations, which were considered by the Commission as described below. The group concluded that, despite the higher potential of the United States pension system, the current levels of the pensionable remuneration scale resulted in income replacement ratios which were comparable with those of the Federal Employees Retirement System at similar levels of employee contributions.

Discussion in the Commission

48. The Co-Chair of the Human Resources Network expressed appreciation for the effort of the working group in conducting such a complex exercise, in particular, the manner in which the schemes were compared. The Network supported all recommendations of the working group. All three staff federations thanked the United Nations Joint Staff Pension Fund and ICSC secretariats for the valuable information provided by the working group and for the opportunity to participate in the working group. They supported most of the group's recommendations.

1. Comparability of the pension schemes: development of a methodology

49. While noting that the working group concluded that the United States/United Nations pension schemes were comparable, the representative of FICSA paid particular attention to the results of the comparison of the replacement ratios under both schemes. He commented that the option to obtain a higher benefit through voluntary contributions granted by the comparator was not available to common system staff. CCISUA, supported by UNISERV, commented that employees of the United States Federal Civil Service made heavy use of the opportunity to invest in the Thrift Savings Plan, an option which was not available to participants of the United Nations Joint Staff Pension Fund. This resulted in much higher replacement ratios under the United States scheme.

50. Members of the Commission expressed satisfaction with the results obtained under the income replacement approach comparison. They noted that all actuarial assumptions made in the process of comparing the two schemes had been shared with the United Nations Joint Staff Pension Fund actuaries as well as the actuaries of the United States Office of Personnel Management, who thought that the assumptions as well as the outcome were reasonable.

2. Income inversion

51. The Commission was informed that the working group had paid particular attention to General Assembly resolution 48/225 in which the Assembly requested that further attention be given to eliminating income inversion. Based on data received from various organizations, however, there was clear indication that very few staff members were affected by the phenomenon. Members of the Commission supported this conclusion.

52. FICSA, supported by CCISUA, stated that for a long time the federation had maintained the belief that the income inversion between the General Service and

Professional categories was a theoretical problem which had very little impact on staff. Accordingly, the Federation was pleased that the results of the analyses supported this view and that no corrective action was necessary.

3. Recalculation of the pensionable remuneration scale due to a change in the grossing-up factor

53. The Commission noted that the working group had considered various grossing-up factors for both categories of staff. With each factor considered, the group looked at the effect on the income inversion and the financial impact. It was concluded that while changing grossing-up factors would reduce the income inversion, very few staff would be affected and, moreover, the change would alter the relationship between the United States/United Nations plans. Therefore, the Commission members, as well as all other participants, supported the recommendation to make no changes to the grossing-up factors.

4. Recalculation of the pensionable remuneration scale due to application of the interim adjustment procedure owing to a change in the net remuneration

54. While the staff federations favoured the recalculation of the pensionable remuneration scale, it was not recommended.

55. The Commission was not supportive of recalculating the scale at the present stage because this could alter the relationship between the United States/United Nations pension schemes, which were considered comparable. Moreover, based on information obtained from the United Nations Joint Staff Pension Fund actuaries, the recalculation could have a further negative impact on the actuarial situation of the Pension Fund.

5. Recalculation of the pensionable remuneration scale due to a change in the common scale of staff assessment

56. The Commission was informed that the working group had not recommended any changes to the common scale of staff assessment but had recommended, however, that a baseline be established as of 2012, and that a 2 per cent average tax change at various income levels would trigger the revision of the common scale of staff assessment with future reviews. The representative of FICSA saw this as yet another postponement of an adjustment which was due.

57. The members of the Commission questioned the recommendation of the working group to use a 2 per cent trigger for adjustment of the common scale of staff assessment. They were of the opinion that as the conclusion of the working group was that the United States/United Nations pension schemes were comparable, simply using a trigger for adjusting the common scale of staff assessment in the future without looking at the entire picture would change the relationship between the two schemes. As a result, it was suggested that a pragmatic approach be taken, bearing in mind the movement of external taxes, comparability of income replacement ratios and levels of net pensions under the common system and the comparator service schemes, actuarial and other considerations.

6. Non-pensionable component

58. Members of the Commission were in favour of the working group's recommendation to make no changes to the non-pensionable component pending additional information based on experience from the application of the new General Service salary survey methodology.

Decision of the Commission

59. The Commission decided to report to the General Assembly that as regards:

(a) **Comparability of the schemes**: the income replacement ratios under the Federal Employees Retirement System and the United Nations Joint Staff Pension Fund schemes were comparable at similar employee contribution levels. However, United States employees had the potential to receive a significantly higher benefit owing to voluntary contributions and employer match of up to 5 per cent of the employee contribution. It should be further noted that the changes introduced in 2012 in the United States pension legislation as part of the ongoing review of the pension system would increase the minimum required employee contributions for new entrants for the defined benefit pension. Those provisions were, however, not applicable in the context of the current review;

(b) **Income inversion**: the Commission believes that this phenomenon exists owing to the combined effect of pay overlap between the Professional and General Service categories at some locations and the difference in parameters used to calculate pensionable remuneration for the two categories of staff. However, its actual incidence was low, since very few Professional staff retired at grades where income inversion occurred. Accordingly, the Commission did not consider that additional measures to reduce income inversion were necessary at the present stage but would recommend that the phenomenon continue to be monitored at future comprehensive reviews of pensionable remuneration;

(c) **Recalculation of the pensionable remuneration scale due to a change in the grossing-up factors**: while recognizing that the different grossing-up factors contributed to the income inversion phenomenon, the Commission did not believe that there was a compelling reason for changing those factors, in particular because very few staff were affected by income inversion and because of concerns regarding the financial and actuarial impact of such measures on organizations and the United Nations Joint Staff Pension Fund. The Commission did take note, however, that if either of the grossing-up factors were changed in the future, the pensionable remuneration scale would have to be recalculated to reflect the change;

(d) **Recalculation of the pensionable remuneration scale due to the application of the one-to-one interim adjustment procedure**: members of the Commission were of the view that the one-to-one interim adjustment procedure should continue to be applied and the recalculation of the pensionable remuneration scale should be reviewed on the basis of the five-year review cycle;

(e) **Recalculation of the pensionable remuneration scale due to a change in the common scale of staff assessment**: going forward, a baseline would be established as at 2012 for the common scale of staff assessment. At each five-year review of the pensionable remuneration scales, the common scale of staff assessment would be reviewed. The update of the common scale of staff assessment would be made on a cumulative, rather than an incremental, basis and would measure the average differences at the referenced income tax levels since the last adjustment of the rates. The next review would be based on the baseline established in 2012. The decision to implement an updated common scale should be done on a pragmatic basis taking into account the movement of external taxes, comparability of income replacement ratios and levels of net pensions under the common system and the comparator service schemes, actuarial and other considerations;

(f) **Non-pensionable component**: the Commission was of the view that the present approach should be maintained until additional information becomes available based on the experience of applying the new General Service salary survey methodology.

C. Report of the working group on standards of conduct for the international civil service

60. In 2001, the Commission decided to adopt the updated version of the standards of conduct for the international civil service and to recommend them to the General Assembly and to the legislative organs of the other participating organizations. The General Assembly welcomed the standards of conduct in its resolution 56/244. The intention of the standards of conduct was to reflect the overarching ideal of behaviour and conduct for the international civil service. Thus, the standards inform, provide explanations to and inspire staff in the organizations of the common system by articulating some basic principles that form the ethical and philosophical underpinnings of the international civil service.

61. In 2009, at its sixty-ninth session, the Commission requested its secretariat to work with organizations and staff federations to undertake a review of the standards of conduct to ensure that they continue to meet the needs of the organizations and to define areas that might need updating (see A/64/30, para. 35). Subsequently, the General Assembly, in its resolution 65/247, requested the Commission to consider standards of conduct in the context of its 2011 programme of work and report thereon.

62. The Commission established a working group on standards of conduct for the international civil service, comprising representatives of the Commission, its secretariat, the Human Resources Network and staff federations. To assist the working group, a technical group, comprising human resources professionals and ethics officers from a wide range of organizations, as well as representatives of the three staff federations, was established to conduct a preliminary review of the current standards. The working group met for the first time on 12 and 13 May 2011.

63. A report containing the revised draft standards of conduct was presented to the Commission at its seventy-third session. In addition, the secretariat submitted, as a conference room paper, comments received from the legal departments of organizations on the proposed revisions to the standards. Also at the seventy-third session, the Commission decided to defer consideration of the report of the working group on standards of conduct to its seventy-fourth session in order to provide additional time for the secretariat of the Commission and the working group to finalize the report.

64. The working group convened a second meeting, from 9 to 11 November 2011. At the meeting, the working group discussed the comments received from the legal departments of organizations and the secretariat's analysis. The working group

emphasized the importance of accountability at both the staff and organizational levels and decided to include accountability as an item under "guiding principles". Given that the report of the Secretary-General on personal conflict of interest (A/66/98) highlighted the fact that staff members' obligations as impartial and independent international civil servants required them to exercise their functions in the best interest of the organization, the working group also proposed text on conflict of interest.

65. The working group attached great importance to the issue of post-employment restrictions and emphasized the need to develop a set of common post-employment policies across the United Nations system. When discussing safety and security, the working group reviewed a proposal from CCISUA and FICSA. The representative of CCISUA stressed that it was the responsibility of the organizations to make every effort to provide safe and healthy working conditions for its staff. The group was not able to reach consensus on this particular issue. The working group reaffirmed the integral role of standards of conduct, noting that such standards promoted a common system of values and ethics that were essential to an international civil service.

Discussion in the Commission

66. The Human Resources Network thanked the working group, welcomed the document and looked forward to the deliberations on this important issue.

67. The representative of CCISUA, on behalf of UNISERV and FICSA, referred to the section on staff safety and security, stating that the proposal put forward was never expected to become as controversial as it had, given that, normally, the topic of occupational safety and health was one of the least contentious subjects treated by employers, unions and Governments. The proposal reflected the effort to introduce modern principles of risk assessment and management to the standards of conduct, which served as the framework document governing most of what takes place in the international civil service. As United Nations staff were not covered by national legislation, this language represented an important basis for ensuring consistency across the international civil service. The concepts included in the standards of conduct text, which were "practicable preventive and protective measures", reflected the principles enshrined in the laws existing in most Member States and the basic premise of international norms. The text addressed two issues: responsibility, and means of carrying out responsibility. CCISUA and FICSA noted that the United Nations medical directors had supported the text. It was hoped that the Commission would demonstrate its commitment to ensuring a healthy, safe and secure workplace.

68. UNISERV supported the statement of CCISUA and FICSA and welcomed the point that international civil servants at all levels would be held accountable and answerable for all actions taken. They believed that this would enhance good work ethics on the part of both staff and management. UNISERV further welcomed the principle that staff representatives must be protected against discriminatory or prejudicial treatment based on their status or activities as staff representatives, both during their term of office and afterwards. UNISERV expressed the belief that it was imperative that the United Nations, as an organization on the world stage, had the highest standards of conduct.

69. Commission members thanked the working group for its work. They noted that over the years, the nature of services rendered by the organization of the United Nations common system and the relationship between staff members and their

organizations had evolved. Most organizations had undergone significant reforms and moved away from rules-based systems to values and results-based systems with increased decentralization and greater responsibilities to lower level management. Those developments demanded clearer standards in relation to contacts outside the common system and more transparent accountability systems. The Commission discussed the appropriateness of including an organization's responsibilities and obligations within the document. It was agreed that a separate document could be developed for that purpose.

70. The text as proposed by the working group was reviewed by Commission members paragraph by paragraph. The revised standards of conduct, as set out in annex IV, were adopted by the Commission.

Decisions of the Commission

71. The Commission decided to submit to the General Assembly for its approval the revised standards of conduct for the international civil service, as contained in annex IV.

72. The Commission decided that after approval by the General Assembly, it would:

(a) Request organizations to implement the revised standards of conduct as of 1 January 2013;

(b) Request organizations to reflect the revised standards of conduct in their legal framework as well as reinforce them through staff regulations and rules;

(c) Request its secretariat to monitor implementation of the revised standards in the organizations of the United Nations common system and provide a status report thereon at the 2015 summer session;

(d) Highlight the importance of developing and implementing a set of common post-employment policies in the organizations of the United Nations system and CEB to prevent any conflict of interest.

D. Mandatory age of separation

73. At its sixty-ninth session, in 2009, the Commission requested its secretariat to prepare, in coordination with the organizations and the Pension Fund, a comprehensive report on the possibility of changing the mandatory age of separation, taking into account various human resources policy issues. The report should also take into account the actuarial situation of the Pension Fund and the financial situation of the organizations. By its resolution 64/231, the General Assembly requested the Commission to report to it at its sixty-sixth session on the results of the comprehensive analysis of the possibility of changing the mandatory age of separation, including the implications in the areas of human resources policies, and to report with advice and recommendations on succession planning within the organizations of the common system.

74. The ICSC secretariat presented a document which was accompanied by a study on the mandatory age of separation, carried out by a working group convened by the High-level Committee on Management of CEB. The Commission was provided with information on the current use of the mandatory age of separation in the

organizations of the common system and other data on a number of human resources policies and practices. Information was also provided on the financial impact of an increase of the mandatory age of separation on organizations and on the United Nations Joint Staff Pension Fund. The conclusion of the analysis provided to the Commission indicated that the likely impact of increasing the mandatory separation age on geographical distribution, gender balance, rejuvenation of the workforce, career development and succession planning would be minimal, and, therefore, workforce and succession planning, along with other well targeted interventions, would be the most appropriate policy responses.

75. The Chief Executive Officer of the United Nations Joint Staff Pension Fund also made a presentation to the Commission regarding the decisions of the Board of the Pension Fund on normal retirement age. The Chief Executive Officer reported that at its fifty-ninth session, in July 2012, the Board, upon advice from the Fund's consulting actuary and committee of actuaries, on the impact that increased longevity had had on the situation of the Fund, decided that it was ready to increase the normal age of retirement for new participants of the Fund with effect from no later than 1 January 2014. The Board felt that among other actions available to it, an increase in the normal retirement age was a priority to ensure the Fund's long-term sustainability. The Chief Executive Officer explained to participants that investment and longevity were the drivers of the Fund's long-term situation and that there were no issues of concern with respect to payments in the short term. He fielded numerous questions from participants and explained many aspects of the functioning and activities of the Fund.

Discussion in the Commission

76. The Co-Chair of the Human Resources Network enquired about the purpose of a report from the ICSC secretariat on issues of succession planning, geographical balance, rejuvenation of the workforce, etc. which, in the view of members of the Network, fell under the authority of each individual organization. She also questioned the inclusion of the High-level Committee on Management report in the secretariat's document. Referring to the decision by the United Nations Joint Staff Pension Board to recommend that the mandatory age of retirement be increased to 65 years of age, the Co-Chair said that the Network fully supported the ICSC working in tandem with the Pension Board and would therefore simply take note of the document from the ICSC secretariat. It would, however, recommend that the Commission refrain from taking immediate action. Representatives from some organizations asked the Commission to bear in mind the numbers of their staff that were in non-family duty stations and the linkages that had to be made with mobility policies and contractual arrangements. Organizations needed time to study the implications and longer-term consequences.

77. The representative of FICSA recalled that, in the past, his organization had called for greater communication among the bodies involved in decisions affecting the mandatory age of separation and the normal retirement age. He was therefore pleased that representatives of the United Nations Joint Staff Pension Fund were present to share the recent considerations of the Board on those matters with the Commission. The representative noted that notwithstanding the conclusion of the High-level Committee on Management working group that there was no urgent need to modify the existing mandatory separation age, or for alignment across organizations, the statement by the Board pointed to a growing sense of urgency.

The representative stated that FICSA maintained its prior position that the mandatory age of separation should increase to 65 years of age provided that the right of current staff members to retire at ages 60 and 62 was preserved. It was the position of the Federation that staff members should be given the opportunity to reach the minimum period of service to qualify for after-service health insurance, the minimum vesting period to qualify for a pension or extension of entitlements during the education of dependent children, either through raising the age of separation or other human resources interventions. The possibility of doing so should not be at the discretion of the individual organization, but should be available to all staff members.

78. The representative of CCISUA noted that at the time of drawing its conclusion with regard to the need for modification of the existing mandatory age of separation, the High-level Committee on Management working group, in which CCISUA had participated, had said that the issue would be reconsidered if the Pension Board decided to increase the normal retirement age. This having happened, CCISUA said that its members supported this increase, but without prejudice to the acquired rights of those who were due to retire with full benefits at the current separation age of 60 or 62 years. The CCISUA representative maintained that a system in which the mandatory separation age would be increased for all staff members without discretionary decisions by the organization would place the United Nations in step with national government services and would support all staff members, in particular staff in the Professional and higher categories who often joined the United Nations later in their careers and sometimes needed additional years of service to attain a sufficient level of benefits.

79. The representative of CCISUA maintained that the issue of persons retiring and then being rehired via short-term contracts should be addressed as a matter of urgency. According to CCISUA, there were persons who while receiving a pension, also received a salary without being required to continue contribution to the fund. The ceiling for earnings set by the United Nations was not being adhered to in all organizations and, in any event, did not deal adequately with the problem. The CCISUA representative added that without succession planning mechanisms in organizations, she doubted whether an increase in the separation age would have an impact on the human resources challenges being faced by organizations in the common system.

80. The representative of UNISERV observed that reviewing the mandatory age of separation had been a matter for debate in the common system for some time. While it had been argued that there were some advantages to increasing the separation age, such as potential savings to the Pension Fund, concerns remained about the negative impact that this could have on the effort of the United Nations common system to rejuvenate its workforce. UNISERV expressed the belief that programmes such as the young professionals programme would address some of those concerns. The Federation also supported the view of the other federations that the decision to continue in service beyond the age of 60 or 62 should be at the discretion of the staff member, subject to performance review. The Federation also believed that should the decision be taken to increase the normal retirement age and the mandatory age of separation for staff starting 1 January 2014 as was being discussed, the issue of the current early retirement age of 55 years needed to be discussed as well.

81. Members of the Commission expressed their appreciation to the Chief Executive Officer of the Pension Fund for attending and providing valuable information to participants. With regard to the recommendation of the United Nations Joint Staff Pension Board, members noted the advantage that an increase in the retirement age would bring to the Pension Fund and observed that considering the rise in longevity worldwide, increasing the normal retirement age was in line with national governments and organizations around the world. Life expectancy had increased significantly, and this should be in balance with the number of years that retired staff members would receive benefits. Also, given the United Nation's costly recruitment process, not only would such a move ease the financial burden of the Pension Fund, but savings would also accrue to Member States.

82. In its deliberations, the Commission considered both the impact on the actuarial balance of the Fund and the effect on human resources outcomes in the organizations. In the light of the need to maintain the long-term sustainability of the Pension Fund and the decision by the Pension Board to raise the retirement age, the Commission agreed that the mandatory age of separation should be set at 65 years for new entrants into the system effective January 2014. Many Commissioners expressed the view that retirement at age 65 should not be limited to those who would be recruited to the system as of 1 January 2014, but should be extended for current staff members with due respect to their acquired rights. Other Commissioners expressed the view that extending the age to 65 did not depend exclusively on the staff member's ability to continue working. It was recognized that many staff members continued to be productive well beyond the age of 60 or 62, but that had to be weighed against what was best to enable organizations to fulfil their mandates. It was difficult to replace the knowledge and skills possessed by some staff members, but organizations needed to determine how many such positions existed. One member felt that before an increase in the mandatory age was extended to all staff, an analysis should be carried out to see how beneficial this would be to organizations. Others felt that it was reasonable from a human resources perspective for staff members who were capable to have the choice between remaining in the organization until age 65 or leaving, whether for personal or other reasons, provided they were performing satisfactorily. Managers should address issues of underperformance or non-performance through other avenues.

83. Commissioners considered that a recommendation should be made to the General Assembly both with respect to those who would enter the system as of 2014 and also to staff members currently in service. Others said that they were sympathetic to the position of the organizations to postpone a decision on this matter until they had the opportunity to set up a working group to look at the fuller implication of the changes that would be brought about by an increased retirement age. They felt that organizations should be given the opportunity to examine their demographics in the light of reduced turnover, the need to bring new dynamism to the workplace and to achieve other strategic goals, such as gender and geographic balance. The Commission also considered that there were other strategic and operational questions that needed to be addressed. These included such issues as early retirement, especially in difficult duty stations, whether there were some occupations that should enjoy a lower separation age and incentives which might be built into the pension system which would serve to encourage mobility. The Commission would continue to assist organizations in formulating strategic

guidelines around such issues as gender and geographic balance in view of the reduced outflow of staff and the need to infuse the system with new entrants.

84. The matter of providing flexibility to Executive Heads in implementing the age of separation was discussed. The Commission acknowledged that the Executive Head of each organization needed to decide on the human resources imperatives; however, members were of the view that the decision on extending the separation age should not be left to individual organizations. It was a common system issue, as different separation ages could fracture the common system and introduce competition among organizations.

Decisions of the Commission

85. The Commission decided to:

(a) Support the recommendation from the United Nations Joint Staff Pension Board to raise the mandatory age of separation to age 65 years for new staff of member organizations of the Pension Fund, effective no later than 1 January 2014;

(b) Request its secretariat to work with organizations and staff representatives to prepare a strategic review of the implications of applying the increased mandatory age to current staff members;

(c) Report on the matter at its seventy-seventh session.

E. Contractual arrangements: review of the implementation of the three types of contracts and the phasing-out of appointments of limited duration

86. In accordance with the request of the International Civil Service Commission at its seventy-third session, in 2011, at which it considered the provision of information, required under article 17 of its statute, on the implementation of its recommendations and decisions, the secretariat of the Commission submitted a document containing details on the implementation status of the ICSC framework for contractual arrangements throughout the common system and information on the recent developments of contract reform in some organizations. The information contained in the document was collected through a questionnaire survey covering all organizations in the United Nations common system; 21 out of 23 organizations responded.

87. The document also examined the current situation with regard to appointments of limited duration in the organizations of the common system. At its seventieth session, the Commission decided to remove the reference to contracts for a limited duration of up to four years, effective 1 January 2011, from its revised framework for contractual arrangements (see A/65/30, annex V).

88. The document provided the first update on contractual arrangements since the approval of the revised ICSC framework for contractual arrangements effective 1 January 2011. As of March 2012, 13 common system organizations reported that they had implemented the ICSC contractual framework. Since the previous survey conducted in July 2009, nine organizations in the common system have implemented changes in their contractual policies, and 13 are contemplating a review of contractual policies in the near future.

89. With respect to appointments of limited duration, it is recalled that the Commission had requested the organizations to phase them out and not issue new contracts of that type after 31 December 2010. UNESCO had exceptionally been granted an extension, until 31 December 2012, and UNESCO confirmed that its appointments of limited duration would be fully phased out by the extended deadline.

90. In the survey carried out by the secretariat in March 2012, the organizations were afforded the opportunity to provide feedback on their experience and to report to what degree the ICSC contractual framework had met their needs. Of the 19 organizations that responded, 16 said that the framework had met their needs, and two indicated that it had done so "for the most part". Only one organization that had implemented the framework reported that it had not met its needs and suggested that the framework should allow individuals to be engaged, under certain circumstances, for up to three months to cover staff functions during temporary absences, but on a non-staff contract.

91. The organizations were also asked whether each of the three types of appointments contained in the ICSC framework had responded adequately to their needs. While for the most part the feedback was positive, the responses concerning continuing appointments varied, with some organizations not yet having implemented them and some reviewing the criteria for granting them. With regard to fixed-term appointments, all organizations responded that they had adequately met their needs. With regard to temporary appointments, the majority of organizations responded that they had adequately met their needs. However, three organizations responded negatively, citing a limitation as to the duration of temporary appointments and suggested that some flexibility should be introduced.

Discussion in the Commission

92. The Human Resources Network took note of the information provided in the document and affirmed the usefulness of the ICSC contractual framework. The Network stated that UNESCO had confirmed that appointments of limited duration would be phased out by 31 December 2012 and that effective 1 July 2012, no new contracts of that type would be issued. With regard to the introduction of continuing contracts, the Network noted that the organizations had acted in accordance with General Assembly resolutions. After engaging in a thorough discussion, the Network stated that it was not in agreement with the suggestion that the ICSC framework for contractual arrangements be reviewed again in 2014, considering that it was too early to make any further changes to contractual arrangements.

93. The representative of FICSA, in a joint statement with CCISUA, welcomed the gradual phasing out of appointments of limited duration and noted that UNESCO would also do so by the deadline. The representative expressed trust that the organizations were using the opportunity of implementing the framework to address the long-standing problem of so-called long-term/short-term staff, noting that while the process of regularizing such staff was challenging, it was necessary to ensure fair and equitable treatment. The representative also requested the Commission to address the issue of the portability of continuing appointments, so that a staff member with a continuing contract could keep it when transferring to another organization, in the spirit of encouraging inter-agency mobility. The representative recalled the Commission's discussion on mobility and the discussions at the twenty-

fourth session of the Human Resources Network, in 2011, when it was recognized that the criteria for continuing contracts, as approved by the General Assembly, required competition for a limited number of available continuing appointments (post envelope). The representative further mentioned that the inter-agency agreement required the receiving organization to accommodate the same or equivalent contract held by the staff member in the releasing organization. In concluding remarks, the representative noted the information contained in the report and supported monitoring and looking further into the details of the process that was being implemented.

94. The representative of UNISERV welcomed the introduction of the new contractual modality and was very pleased that continuing appointments were being awarded and that appointments of limited duration had been abolished. The representative observed that the funds and programmes had had difficulty in defining how many continuing appointments would be made available and on what basis they would be awarded, foreseeing some difficulties with the points system. In respect of continuing appointments, the representative asked the Commission to urge the organizations to implement continuing appointments that should be mobile and portable; however, the acceptance of continuing appointments for staff members who moved from one organization to another was not as natural as it should be. The representative urged the organizations to define the criteria for the application of fixed-term appointments and of non-staff contracts in order to remove the disparity caused when staff members performed the same functions as non-staff. Lastly, the representative expressed that while UNISERV was generally happy with the contractual framework, it had hoped that it could be implemented fully in the near future.

95. The Commission noted the very comprehensive review of contractual arrangements undertaken by the secretariat. It noted with disappointment, however, that only 14 organizations reported having implemented the ICSC framework. With regard to the phasing out by UNESCO of appointments of limited duration by the deadline, the Commission commended the organization for the commitment to do so by the extended deadline, while questioning whether the recently introduced project appointment fit within the ICSC framework. The representative of UNESCO confirmed that a project appointment was a fixed-term contract with the same compensation package, but was funded by extrabudgetary funds and, as such, was of limited duration with no expectation of renewal. The representative of UNESCO assured the Commission that she believed that this type of appointment was within the definition of the fixed-term contractual arrangements as provided in the ICSC framework.

96. The Commission observed that there was still some misunderstanding about the decision the Commission had taken when it had adopted the framework for contractual arrangements. Part of that exercise was to bring together all contracts under the same name and umbrella so that all parties had a clear understanding of what was meant by different types of contracts. From the March 2012 survey results, it was apparent that some organizations had understood that all three types of appointments contained in the ICSC contractual framework should be implemented, while others saw it as a choice depending on what fits best with their needs.

97. The Commission confirmed that organizations were not required to use all three types of appointments outlined in the ICSC contractual framework, but rather that the framework presented a menu of available options from which the organizations could choose on the basis of what best met their needs. Some organizations had never used permanent or indefinite contracts in the past, and they were not required to do so under the current ICSC framework. The framework allowed the organization to choose whichever of the three types of contracts in whatever combination they believed would best assist them in implementing their functions and carrying out their mandates.

98. One member of the Commission asked whether the organizations with voluntary funding faced some obstacles in reconciling the ICSC contractual framework with their funding arrangements and whether this posed difficulties for those organizations to define functions that were essential to their mandate and/or consider whether to grant continuing appointments. The Commission reiterated that its contractual framework was a menu from which the organizations could chose any or all of the available types of appointments. The fact that continuing appointments would not be feasible for some organizations did not pose an issue for the Commission.

99. The representative of FICSA, however, expressed some concern over organizations choosing whichever contractual modality they preferred among the three available in the ICSC framework. FICSA recognized that the need for continuing appointments might fluctuate and depend on funding and the missions of the organizations; however, efforts should be made to implement the ICSC framework across the United Nations common system so that no significant difference in treatment of staff among the organizations occurred.

100. The Commission also recalled that the contractual framework did not envision an automatic conversion or movement from one contract type to another, but rather that it would be governed by transparent and open selection procedures, bearing in mind that in many organizations that chose to use the continuing contract not everyone could be granted one. With regard to temporary appointments, the Commission recalled that the duration was expected to be for less than one year. A shorter contract, for example one for three months to cover staff functions during temporary absences, was also appropriate under the ICSC contractual framework.

101. Addressing the comment from the staff federations regarding non-staff, the Commission noted that such types of personnel were not granted employment contracts under the organizations' staff rules and as such did not fall under the purview of the Commission. Therefore, the Commission would not be involved in reviewing or monitoring contracts granted to that type of personnel. It was noted that the Human Resources Network had undertaken a study on non-staff personnel and was reviewing the issue.

102. With regard to the statement from the staff federations that there should be continued monitoring of the implementation of the contractual framework, it was recalled that there was regular follow-up and a reporting cycle with respect to the decisions and recommendations made by the Commission, as provided under article 17 of the Commission's statute.

103. Noting that the majority of the organizations were contemplating a review of their contractual policies in the near future, the Commission hoped that the

clarification as to the intent behind the ICSC contractual framework would guide the organizations to follow the framework when considering and introducing any changes to the contractual status of staff. To that effect, a further review of the implementation status was foreseen for 2014. The Commission also recalled General Assembly resolution 65/248, in which the Assembly requested the organizations of the United Nations common system to report annually to the Commission on the implementation of contractual arrangements and conditions of service for all of their staff serving in family and non-family duty stations.

Decisions of the Commission

104 The Commission decided to:

(a) Take note of the information provided in the document and request its secretariat to prepare a report to be presented to the General Assembly on the status of implementation of the ICSC contractual framework, in the context of implementation reports submitted to the Assembly on a biannual basis, under article 17 of the Commission's statute;

(b) Take note that the organizations have phased out appointments of limited duration, in accordance with the Commission's recommendation;

(c) Affirm that the ICSC framework for contractual arrangements in the organizations of the United Nations common system (see A/65/30, annex V) covers three types of appointments (continuing, fixed-term and temporary). The Commission does not require organizations to implement all three types of appointments as described in the framework. Organizations may implement any combination of the defined contract types in accordance with the particular needs of the organization;

(d) Urge the organizations to follow the guidelines of the framework for contractual arrangements when considering and introducing any changes to the contractual status of staff, and, in particular, request the organizations that have not implemented the ICSC contractual framework to review their contractual mechanisms in the light of the framework, taking into account experiences in other organizations, and make proposals to their respective governing bodies to align their contractual arrangements with the common system;

(e) Review the implementation of the ICSC framework for contractual arrangements at its summer 2014 session.

Chapter IV

Conditions of service of staff in the Professional and higher categories

A. Base/floor salary scale

105. The concept of the base/floor salary scale was introduced, with effect from 1 July 1990, by the General Assembly in section I.H of its resolution 44/198. The scale is set by reference to the General Schedule salary scale of the comparator civil service, currently the United States Federal Civil Service. Periodic adjustments are made on the basis of a comparison of net base salaries of United Nations officials at the midpoint of the scale (P-4, step VI, at the dependency rate) with the corresponding salaries of their counterparts in the United States Federal Civil Service (step VI in grades GS-13 and GS-14, with a weight of 33 per cent and 67 per cent, respectively). The adjustments are implemented by means of the standard method of consolidating post adjustment points into the base/floor salary, namely, by increasing base salary while commensurately reducing post adjustment.

106. The Commission was informed that owing to the comparator civil service's pay freeze in effect for 2011 and 2012, the gross levels of the General Schedule of the comparator had not changed from the levels in 2010. However, slight changes in the federal and Maryland tax schedules had occurred in 2012, while the taxes for the State of Virginia and in the Federal District of Columbia remained unchanged. The changes in federal taxes were related to revised tax rates and personal exemptions, and standard deduction amounts. The changes in the taxes for the State of Maryland related mainly to the introduction of revised tax brackets for adjusted gross income above $150,000. Therefore, despite the pay freeze, the aforementioned tax-related changes resulted in an increase of 0.12 per cent, in net terms, in the reference comparator pay level as compared with the 2011 level.

Discussion in the Commission

107. The Human Resources Network noted that tax changes in the United States had resulted in an increase of 0.12 per cent in the salaries of officials of the comparator compared with 2011 levels. In order to maintain the base floor in line with the General Schedule, a similar adjustment was needed for United Nations salaries. It noted that the consequences of the adjustment, to be implemented through the standard no-loss, no-gain consolidation method, were minimal. The representative of FICSA, speaking also on behalf of CCISUA, and UNISERV also concurred with the recommendation for the adjustment to the base/floor salary scale.

108. The Commission observed that the proposed adjustment of the base/floor salary scale was in line with the established methodology, noting that this adjustment would be implemented by increasing base salaries by 0.12 per cent while commensurately reducing post adjustment multipliers. As there were currently no duty stations with post adjustments below the levels required to absorb the proposed adjustment of the base/floor salary scale, there would be no change in net take-home pay at any duty station. The system-wide financial implications would therefore be limited to the revision of the separation payments schedule as shown in the table below.

109. On the basis of the considerations set out above, the annual system-wide financial implications resulting from the proposed base/floor salary increase were estimated as follows:

	United States dollar
(a) For duty stations with low post adjustment where net salaries would otherwise fall below the level of the new base/floor	–
(b) In respect of the scale of separation payments	60 000
Total annual financial implications	**60 000**

Decision of the Commission

110. The Commission decided to recommend to the General Assembly for approval, with effect from 1 January 2013, the revised base/floor salary scale for the Professional and higher categories as shown in annex V to the present report, reflecting a 0.12 per cent adjustment implemented by increasing the base/floor salary scale and commensurately reducing post adjustment multiplier points with no change in net take-home pay.

B. Evolution of the United Nations/United States net remuneration margin

111. Under a standing mandate from the General Assembly, the Commission continued to review the relationship between the net remuneration of United Nations staff in the Professional and higher categories in New York and that of United States Federal Civil Service employees in comparable positions in Washington, D.C. For that purpose, the Commission annually tracks changes occurring in the remuneration levels of United Nations staff in the Professional and higher categories and of officials in comparable positions of the United States Federal Civil Service, as well as other changes relevant to the comparison, including rates of taxation used for netting down comparator salaries and the cost-of-living relationship between New York and Washington, D.C.

112. The Commission was informed that for the calendar year 2012, no general or locality pay increase had been granted to comparator federal employees in the Washington, D.C., area as a result of a statutory pay freeze introduced by the President of the United States of America for the period beginning on 1 January 2011 and ending on 31 December 2012.

113. Also relevant to the comparison were the following:

(a) The revision of federal tax brackets and standard and personal deductions and the introduction of revised tax brackets for income exceeding $150,000, which resulted in a slight reduction overall in income taxes for all taxpayers in the Washington, D.C., metropolitan area;

(b) A post adjustment multiplier of 65.5 for January through July 2012 and an estimated multiplier of 68.0 for August through December 2012. The multipliers were based on the current net base/floor salary scale that became effective on 1 January 2012;

(c) The matrix of grade equivalencies between the United States Federal Civil Service and the United Nations common system approved by the Commission in 2010 at its seventy-first session;

(d) A revised cost-of-living differential between New York and Washington, D.C., estimated at 111.6.

114. On the basis of the above, the Commission was informed that the margin for 2012 amounted to 117.7, with its five-year average (2008-2012) standing at 114.9. The details of the comparison are shown in annex VI to the present report.

Discussion in the Commission

115. At the outset of the discussions on the matter at its seventy-fifth session, and at the request of the Commission, the Chef de Cabinet of the Office of the Secretary-General briefed the Commission on the current financial situation the Organization is facing. She indicated that the programme budget for the biennium 2012-2013 had been approved by the General Assembly after lengthy deliberations. Member States, however, had deferred the re-costing of the budget in the amount of $220 million, while the vacancy rate applied could equate, based on current staffing, to another $85 million in resource requirements. While the Organization was trying to absorb the associated impact of those measures within existing resources, it might be necessary to seek additional funding from Member States later in the biennium. There was, however, recognition that while Member States had been generous in their support for the expanding mandates of the Organization, the majority of them were now facing significant financial constraints. Faced with this reality, the Organization was seeking to identify efficiencies and innovative practices to enable mandates to be fully delivered more effectively and efficiently. The Chef de Cabinet stated that the main priority of the Secretary-General was to ensure the retention of as many staff as possible in order to maintain the required expertise in the Organization. She further stated that while she could not speak for the broader United Nations system, it was known that some voluntarily funded organizations, as well as some specialized agencies, were confronted with similar financial constraints. She noted that the Secretariat recognized and remained respectful of the independent nature of the Commission, but it was hoped that the current budgetary situation would be contextualized in the deliberations of the Commission and that issues would be looked at in a holistic manner. In response to a question, the Chef de Cabinet stated that it was not for the Secretary-General to make specific proposals. However, given the current realities, options could be considered by the Commission, one being to delay the review of the matter to give time to adjust budgetary considerations. In this context, she suggested that some flexibility within the Commission's procedures could be worth considering.

116. The Human Resources Network took note of the document prepared by the secretariat. The representative of FICSA, also speaking on behalf of CCISUA, while understanding the budget constraints of the organizations, reiterated the decision taken by the Commission at its seventy-fourth session confirming the margin and post adjustment methodologies. They therefore insisted that the revised multiplier should be implemented as of August 2012, when it became due. FICSA and CCISUA pointed out that the freeze in the United States Federal Civil Service

affected salaries, but not other important elements of remuneration. In particular, the average performance bonus in the United States Senior Executive Service in 2010 was $13,081, and performance bonuses outside of the Senior Executive Service ranged from 2.6 to 3.3 per cent of salary. Those elements were currently excluded from the margin and base/floor calculations. The investment, including staff costs, made by Member States in the United Nations should be considered in the light of the value and the quality of services delivered by staff. UNISERV supported the statements by FICSA and CCISUA and noted that all cuts in response to budgetary concerns, including posts and reductions in benefits, seemed to be at the expense of staff and that that should not be the case. The issues in the United States civil service were linked to political changes and should not be reflected in United Nations remuneration standards.

117. The Commission thanked the Chef de Cabinet for the briefing on the financial situation of the United Nations and for bringing to its attention the Organization's concerns and the call for a degree of flexibility in applying the current procedures.

118. The Commission recalled its consideration at its seventy-fourth session of the request by the General Assembly in resolution 66/235 as well as its statutory responsibilities relating to the operation of the post adjustment system. It noted that a revised post adjustment multiplier would become due in August 2012, in accordance with the approved methodology. It further observed that the resulting net remuneration margin would remain within the established range and the five-year average of the margin would be just below the desirable midpoint of 115. In this connection, a view was expressed that a refusal to follow the established rules may have a devastating effect on the unbiased and independent nature of the Commission, and could be subject to legal challenge. In response, another member pointed out that Rule 33 of the Commission's rules of procedure called for the Commission, before making other than routine decisions, to seek the views of the executive heads of the participating organizations concerned on the financial and administrative implications of implementing a decision. As the Commission was informed at its seventy-fourth session, decisions related to increases in the post adjustment were not considered routine in these times of financial crisis. Therefore, in this member's view, the Commission was required by its rules of procedure to solicit the views of the organizations and that to do so would have no effect whatsoever on its independence in making decisions.

119. At the same time, a view was expressed that the promulgation of a revised post adjustment multiplier due in New York effective 1 August 2012 without delay would be fully consistent with the methodology approved by the General Assembly. In this context, the briefing by the Chef de Cabinet on the financial situation was seen by some members as an appeal to suspend its implementation. This appeal — conveyed to the Commission by the Secretary-General's representatives through various channels and on a number of occasions during the session — was the reason for these members to consider joining the consensus on this matter and provided the only cogent rationale for delaying the implementation of a revised post adjustment multiplier for New York.

120. There was general agreement that in view of the budgetary constraints facing the United Nations, and possibly other organizations, it would be advisable to allow the Member States time to deliberate on the issues raised by the United Nations. Under the circumstances, the Commission concluded that the only remaining option

would be to delay the promulgation of the increase in the post adjustment multiplier for New York until after the General Assembly had had the opportunity to discuss the issue. It was further agreed, in order to remain within the boundaries of the methodology, that the revised post adjustment multiplier should eventually be implemented with a retroactive effect to August 2012, unless the General Assembly acted otherwise. It was pointed out that delaying the promulgation of the post adjustment in New York would be an exceptional measure merited by the current budgetary situation. At the same time, it would not require any actions that were inconsistent with the operation of the post adjustment system. It would thus allow the Commission to remain fully compliant with the established methodologies while being sensitive to the budgetary concerns of the organizations and take into account any short- or long-term implications of its decisions on the organizations and staff.

Decisions of the Commission

121. The Commission:

(a) Noted that a post adjustment multiplier of 68.0 would become due in New York on 1 August 2012 in accordance with the approved methodology;

(b) Decided to defer the promulgation of the revised New York post adjustment multiplier in view of the financial situation of the United Nations as described by the Secretary-General;

(c) Also decided that, unless the General Assembly acted otherwise, the multiplier would be promulgated on 1 January 2013 with a retroactive effect as of 1 August 2012.

C. Children's and secondary dependants' allowances: review of the level

122. In the context of its biennial review of dependency allowances for the Professional and higher categories, the Commission considered the levels of children's and secondary dependants' allowances. In accordance with the revised methodology approved by the Commission in 2008, the children's allowance is calculated as a global United States dollar flat rate reflecting the levels of child-related tax deductions and social legislation payments at the eight headquarters duty stations at the reference income level of P-4, step VI, weighted by the number of staff at those locations. On this basis, the proposed level of the children's allowance amounted to $3,401 per year. The proposed secondary dependants' allowance, set at 35 per cent of the children's allowance, amounted to $1,190 per year. The methodology further provides that the flat-rate amount should be converted to local currency using the official United Nations operational rate of exchange as at the month of promulgation, to remain unchanged until the next biennial review.

123. The Commission was informed that, as originally intended, the transitional measures introduced in 2009 to mitigate the negative impact of the revised methodology on some duty stations would be discontinued as of 1 January 2013.

124. The financial implications arising from the proposed adjustment of the allowances were estimated at $9.8 million per annum system-wide.

Discussion in the Commission

125. The Human Resources Network concurred with the proposals to increase the children's and secondary dependants' allowances. The Network, however, drew the Commission's attention to one undesired effect of the change in the 2008 methodology, i.e. the fortuitous element of the exchange rate of the month in which the child allowance was converted to local currency. To improve the equity and predictability of the system, the Network requested that the conversion be made using the same rate as the one used for the calculation of the global amount, i.e. the average of the 12 months preceding the review.

126. The staff federations concurred with the proposed adjustments of the dependency benefits. FICSA supported the Human Resources Network's request to study alternative measures to address the effect of exchange rate fluctuations between biennial reviews, for example, by using averages over longer periods or moving averages, similar to the practices of the Pension Fund in addressing the same problem. CCISUA pointed out that the overall child benefit calculation mechanism was not in keeping with the general principles of most social protection schemes, differentiated unjustifiably between locally and internationally recruited staff and ignored differences in costs of raising children in different duty stations. In this context, it considered that the conversion of the benefits to local currency at the date of promulgation could have a doubly negative impact on certain duty stations and requested ICSC that the benefit level be reconverted on a more regular basis, to reflect changes in the exchange rates. UNISERV also shared the concerns expressed about the use of a snapshot exchange rate in converting the benefits to local currency.

127. The Commission reviewed the changes in tax provisions and social legislation payments relating to children's benefits at the eight headquarters duty stations and the procedure used to calculate the children's allowance under the present methodology. It noted that the proposed increase in the global level of the allowance was owing primarily to the changes in Switzerland, which registered a 50 per cent increase in legislated child payments, along with the introduction of a supplementary child tax credit at the federal level. This, coupled with the fact that Geneva was the most populous headquarters location, accounting for about 38 per cent of all headquarters Professional staff, resulted in an overall proposed increase of 16 per cent.

128. Concerns were expressed about the dominant effect of larger duty stations on the final result. It was pointed out that changes in Switzerland did not seem to follow the overall trend in most locations where the changes in tax and social legislation related to dependant children were much more modest, if there were any at all, or even negative. Yet, the overall result was driven upward by only one location, albeit the most populous one. Most members considered such an effect distorting and believed that corrective measures were needed to address this problem before the level of the allowance could be revised. It was proposed that alternative approaches to the weighting procedure used in the calculations be explored, such as logarithmic or geometric weighting or other techniques that could help reduce the dominance of larger duty stations.

129. In addition to the problem of dominance, a number of issues were identified which required consideration under the review of the dependency allowances methodology. It was pointed out, in particular, that the present methodology was an

automatic procedure that left no room for consideration of any additional factors which may be relevant to decision-making but may not necessarily have a direct bearing on the calculation. In this context, removing the automaticity from the review process was considered advisable.

130. Questions were also raised about the rationale for basing the amount of the children's allowance on the eight headquarters locations. One member was of the opinion that the Noblemaire principle applied to compensation including tax abatements and social payments for children. Therefore, the United States comparator should be used as a basis for establishing the amount of the children's allowance whether in the salary scale or as a separate allowance.

131. Some members also referred to a relevant and a more fundamental problem, namely, the benefit for the first dependant child of single staff. This benefit was not covered by the children's allowance but was derived from the eligibility of such staff to receive the dependency rate of pay. As a result, the amount of such benefit varied significantly depending on the grade level. For example, in New York, it ranged from about $3,700 at the P-1, step I level to over $18,000 at the top step of the D-2 grade. This was seen as an inequity which did not appear to be supported by any outside practice. It was felt that this issue would need to be addressed. Based on the above considerations, the Commission concluded that it was not in a position to revise the dependency allowances before the identified problems and anomalies in the methodology were addressed. The belief was expressed that such a review should be conducted at the earliest opportunity. Members expressed hope that the review would be conducted in a holistic way and that in addition to the items identified, it would explore possible alternatives to the present approach based on best practices of other employers, including other international organizations.

Decisions of the Commission

132. The Commission:

(a) Requested its secretariat to conduct a comprehensive review of the dependency allowances methodology taking into account the views expressed by the Commission and to report on its findings to ICSC at its seventy-sixth session;

(b) Decided to defer its consideration of the levels of the children's and secondary dependants' allowances until its seventy-seventh session.

D. Post adjustment matters

Report of the Advisory Committee on Post Adjustment Questions on its thirty-fourth session and agenda for the thirty-fifth session

133. Pursuant to article 11 of its statute, the Commission continued to keep under review the operation of the post adjustment system, and in that context considered the report of the Advisory Committee on Post Adjustment Questions on the work of its thirty-fourth session.

134. At its seventy-third session, the Commission had requested the Advisory Committee to undertake a number of methodological studies pertaining to: the calculation of the post adjustment index for group I duty stations, with effect from the 2015 round of place-to-place surveys, including the specification of the out-of-

area weight; the methodology for the collection and processing of external market rent data; and the post adjustment classification for Geneva. The report also contained a proposed agenda for the thirty-fifth session of the Advisory Committee and a summary of its discussion of two "other business" items: the evolution of net take-home pay in Hungary; and the payment of the national insurance contribution by some staff of organizations based in the United Kingdom of Great Britain and Northern Ireland.

Summary of recommendations

135. The report contained a number of recommendations based on the results of the above-referenced methodological studies. Regarding the specification of the out-of-area weight, the Committee recommended that for headquarters duty stations and other group I duty stations with similar characteristics in terms of number of staff and economic conditions, the actual out-of-area weight derived directly from the data provided by staff in the household expenditures surveys (including non-consumption commitments, currently estimated at five per cent of net base salary) should be used. For the rest of the group I duty stations, some form of banding of out-of-area weights or pooling of small duty stations should be used. The financial implication, in terms of increases in net remuneration of Professional staff, of using the actual out-of-area weight for the 22 group I duty stations considered in the study, was estimated at about $47 million.

136. After careful consideration of the issues surrounding the collection of external market rent data used in the calculation of the rent index for group I duty stations, the Committee concluded that the present methodology employed by the International Service for Remuneration and Pensions was the correct approach but urged the secretariat to develop procedures, in collaboration with organizations and staff federations, as well as other stakeholders, aimed at improving the comparability of International Service for Remuneration and Pensions neighbourhoods across group I duty stations.

137. On the related issue of the calculation of the rent index, the Committee recommended that the weights used in the calculation of the rent index (both length-of-occupancy weights and dwelling type/size weights) also be based on staff responses to the housing survey questionnaire. The financial implications, in terms of decreases in net remuneration of professional staff, were estimated to be about $56 million.

138. On the issue of the post adjustment for Geneva, the Advisory Committee expressed the view that the survey process in Geneva should be consistent with that in New York and that, in particular, for the purposes of establishing the post adjustment for Geneva, data collection should be extended to neighbouring France and the other cantons of Switzerland where a significant proportion of Geneva staff lived. However, the Advisory Committee fully recognized the legal and practical impediments to the implementation of such a recommendation and therefore urged the secretariat to work in collaboration with Geneva-based organizations and staff federations and other stakeholders to revise its procedures for data collection in Geneva in order to incorporate the neighbouring cantons of Switzerland and relevant areas of neighbouring France and to present its findings to the Advisory Committee at its next session.

Discussion in the Commission

139. The representative of the Human Resources Network expressed appreciation to the Advisory Committee for its work on post adjustment issues and to the ICSC secretariat for the report. At the same time, he conveyed concerns expressed by organizations about the Committee's recommendations to include neighbouring France in the data collection for the determination of the post adjustment for Geneva. He highlighted the fact that France was a different country with a different currency and different import restrictions. In addition, non-European Union nationals could reside legally in France for only three months. In his view, such a cross-border data-collection exercise could not be compared to the situation in New York. He also expressed concerns about the extended definition of duty station in the report, which might have considerable implications for other entitlements. However, he supported the other recommendations contained in the report.

140. The president of FICSA, speaking on behalf of CCISUA, thanked the secretariat for its work in preparing the report and for organizing the two workshops on post adjustment and related issues, prior to the session of the Advisory Committee, that were considered by participants to be very useful. He concurred with all of the recommendations of the Advisory Committee, with the exception of the possible inclusion of France in the zone of data collection for purposes of determining the post adjustment of Geneva. On that issue, he argued that the entry of Switzerland into the Schengen area did not imply that Geneva-based officials had an integrated market for goods and services and unrestricted access to residence in France, adding that the Schengen Agreement did not address a series of practical and legal realities that militated against past attempts to change the methodology for establishing the post adjustment classification for Geneva. In particular, the Schengen Agreement did not guarantee free movement of goods and capital but was limited to free movement of people. Staff members of the United Nations common system are assigned to Geneva, and the host country agreements had, without exception, been established between the organizations and the Government of Switzerland, not France. Furthermore, many officials could not legally reside in France, and those from non-Schengen countries, who could legally reside in France, did so at considerable administrative and financial cost. Staff could still not freely import goods from France to Switzerland due to import restrictions. France did not confer the same privileges and immunities to United Nations officials as Switzerland, citing, for example, the fact that international staff residing in France were subject to certain taxes from which they were exempt in Switzerland, and that spouses of officials who were from outside the Schengen area, but who resided in France, could not work in either country. The president of FICSA concluded by pointing out to the Commission the broader implications of redefining a duty station, bearing in mind the decision, taken by the Commission only a few years earlier and based entirely on the existence of a national border, restricting the right of French nationals who had separated from service in Geneva and were living in France to make use of the repatriation grant. Thus, redefining the duty station would necessarily call that into question, as well as any similar decisions taken by the Commission to date. The representative of UNISERV concurred with the views expressed by the other two staff federations.

141. The Commission recalled that the issue of the specification of the out-of-area weight had been the subject of discussion at previous sessions. It reiterated that when ICSC established the current out-of-area weight in 2000, the motivation was

to introduce some measure of stability into the system at a time when many organizations were advocating an even higher out-of-area weight. Since the evolution of the associated out-of-area index was heavily dependent on the exchange rate fluctuations of a number of currencies, the Commission decided to peg the out-of-area weight at 30 per cent and more for field duty stations and 20 per cent of net remuneration plus non-consumption commitments for group I duty stations. The specification of the out-of-area weight for field duty stations was not based exclusively on survey data either. In fact, it incorporated other elements, such as dollar-driven expenditures, and the declaration as totally out of area of any expenditure category on which expenditures accounted for 60 per cent or more of total expenditures at the duty station. These measures were designed to introduce stability into the system. Any change to the use of actual survey data should therefore include not only group I duty stations but also group II duty stations, where such a change might lead to undesirable results.

142. The Commission also cautioned against putting too much premium on data collected from one successful survey when there was no guarantee that such success would be replicated in the future. Some Commission members were sceptical about the results of the survey showing very low out-of-area expenditures for Geneva, which was dramatically inconsistent with the results of the 2007 out-of-area survey, showing that France was second only to the United States of America as a destination country for out-of-area expenditures of all United Nations common system professional staff, a result that was clearly attributable to the impact of expenditures incurred in France by Professional staff based in Geneva, by far the largest of all duty stations in terms of number of staff. Those Commission members believed that in the light of questions about the validity of the data collected from Geneva, which accounted for about 70 per cent of the estimated financial implications, there should be no change to the specification of the out-of-area weight until the validity of the survey data could be assured.

143. The Commission expressed the view that changing the specification of the out-of-area weight would represent a fundamental departure from the current methodology and should therefore not be handled in isolation from other components of the post adjustment index. It therefore suggested that the issue, along with the post adjustment classification for Geneva, should be part of a comprehensive review of all aspects of the post adjustment system to be conducted by the Advisory Committee in the future. It was understood that the proposed agenda of the thirty-fifth session of the Advisory Committee would be amended accordingly.

144. In response to questions from some Commission members, the ICSC secretariat clarified that there were guidelines and procedures for identifying and eliminating outlier data as part of regular data processing. However, given the compressed schedule of activities between data collection and publication and the review of results by the Advisory Committee, there was no provision for wholesale post-survey validation of the expenditure data collected. Data provided by staff were used as long as they were within the realm of plausibility. Furthermore, expenditure data were collected for the purpose of estimating expenditure weights, in other words, the proportion of total expenditures expended under the various expenditure categories. Therefore, complete accuracy of the data was not required, as long as the data represented a reasonable estimate of typical expenditure. As the compilation of the expenditures was a multistage process involving elimination of outliers and

averaging of expenditure shares across grade levels at a duty station, and across duty stations, it would be difficult to manipulate the data without a massive coordinated effort. The Commission requested however that the Advisory Committee investigate the feasibility of developing procedures for assessing the validity of staff-reported survey data, taking into account the budgetary limitations of the cost-of-living survey process of the Commission, and to make recommendations in this regard for the Commission's consideration.

145. The representatives of the Human Resources Network and the staff federations reiterated their strong support for the use of the actual out-of-area weight in post adjustment index calculations, as recommended by the Advisory Committee. They recalled the extraordinary efforts made to encourage staff participation in the surveys, raising expectations that such participation would lead to accuracy of the results. While calls for the assurance of the validity of the data collected were welcome, they believed that confidence and trust in the survey process in the future would depend on the use of actual data provided by staff and that discarding such data would have a negative impact on staff participation in future surveys.

146. In response to a request for clarification from one Commission member, regarding the collection and processing of market rent data, the secretariat recalled the long history of cooperation between ICSC and the International Service for Remuneration and Pensions in the exercise, which had more recently been bolstered by the memorandum of understanding, signed about two years ago by both agencies and Eurostat, regarding the exchange of statistical information. The International Service for Remuneration and Pensions was selected in 1995 at the end of a competitive bidding process, in part because its methodology and procedures were judged to be sound and appropriate for purposes of like-to-like rent comparisons. As part of the cooperation, it was possible, as recommended by the Advisory Committee, to make some adjustments in the selection of neighbourhoods in order to make them more comparable across group I duty stations. The Commission agreed with the view of the Advisory Committee that the methodology employed by the International Service for Remuneration and Pensions was the correct approach for appropriate rent comparisons and therefore saw no need for customization of the data collection for each duty station. The use of external market rent data was mandated by ICSC precisely to overcome problems with comparability of rent data. If the International Service for Remuneration and Pensions data were considered comparable for purposes of adjusting salaries for officials of the European Union and coordinated organizations, then they should be so considered for purposes of adjusting salaries of United Nations common system staff.

147. On the related issue of the calculation of the rent index for group I duty stations, the secretariat pointed out that the use of reliable housing data, collected from the highly successful 2010 cost-of-living surveys, to derive both length-of-occupancy weights and dwelling class (type and size) weights provided an opportunity to address shortcomings in the existing rent index calculation. In particular, the recommended approach produced a rent index that could be considered as a pure Fisher index, as required by the approved methodology. The Commission agreed with this view, but thought that it would be better to defer taking a decision on the issue until after consideration of recommendations emanating from the aforementioned comprehensive review of other aspects of the post adjustment system. The Commission also took note of the report on the "other business" items dealing with the evolution of net take-home pay in Hungary and the

payment of the national insurance contribution by some staff of organizations based in the United Kingdom.

Decisions of the Commission

148. The Commission decided:

(a) To request the secretariat to conduct a comprehensive review of the methodology underlying the post adjustment system, specifically addressing the following issues:

(i) A review of the specification of the out-of-area weight to be used for post adjustment index calculations for all duty stations;

(ii) A review of the classification of household expenditures, including purchases on the Internet, as in-area or out-of-area;

(iii) An examination of the rationale for the inclusion of the pension contribution index in the post adjustment index structure;

(iv) A progress report on the feasibility of incorporating geographical areas outside Geneva in establishing the post adjustment classification of Geneva;

(b) To request the secretariat to develop procedures for assuring the quality of data collected from staff expenditure surveys;

(c) To request the secretariat to conduct an out-of-area survey in 2012 for the purpose of updating the list of countries, and their corresponding weights, that are used in the estimation of the out-of-area index;

(d) To defer taking a decision on the methodology for estimating the rent index for group I duty stations until after consideration of the recommendations of the Advisory Committee on Post Adjustment Questions on the issues in (a) and (b) above;

(e) That the selection of neighbourhoods used for the collection of market rent data by the International Service for Remunerations and Pensions should not be customized for the various group I duty stations;

(f) To approve the agenda for the thirty-fifth session of the Advisory Committee on Post Adjustment Questions, as outlined in annex VII.

E. Overview of mobility policies within organizations of the United Nations common system

149. The General Assembly, in its resolution 66/235, reaffirmed the importance of mobility as a means of developing a more versatile, multi-skilled and experienced international civil service that is capable of fulfilling complex mandates and requested the International Civil Service Commission to provide an overview of the different existing mobility schemes in the organizations of the United Nations common system. In response to the Assembly's request, at its seventy-fifth session, the Commission reviewed a report which provided an overview of existing mobility policies and practices in common system organizations prepared by its secretariat.

150. In recent years, there have been several developments that were supportive of mobility of staff in the organizations of the common system. They included the following:

(a) In 2005, the Commission promulgated a new contractual framework that provided for a mobility clause in the continuing and fixed-term contracts, and in 2008 the General Assembly applied that framework to the United Nations and its funds and programmes (resolution 63/250);

(b) In 2006, the General Assembly approved the recommendation made by the Commission in 2005 to revise the mobility/hardship scheme with effect from 1 January 2007 to align it more closely to the needs of organizations by placing greater relative emphasis on the hardship component and by recognizing a greater number of moves by the individual staff member (resolution 61/239);

(c) The Commission conducted a comprehensive review of the mobility and hardship scheme in 2010 and revised the hardship classification system;

(d) On the recommendation of the Commission, the designation of non-family duty stations across the United Nations common system has been harmonized based only on security considerations as from 1 July 2011;

(e) At its sixty-fifth session, the General Assembly approved the Commission's recommendation to grant an additional hardship allowance as from 1 July 2011 for staff serving in non-family duty stations, recognizing associated hardship in involuntary separation from families and the need to maintain a second household (resolution 65/248);

(f) Also at its sixty-fifth session, the General Assembly requested the Commission to regulate the rest and recuperation framework (resolution 65/248), and, at its sixty-sixth session, the Assembly approved the Commission's recommendation on harmonizing the rest and recuperation framework in the common system (resolution 66/235 B);

(g) The Commission discontinued hazard pay and introduced danger pay, effective 1 April 2012, for both internationally recruited and locally recruited staff.

Discussion in the Commission

151. The Human Resources Network felt that the report prepared by the ICSC secretariat did not address the General Assembly's request; rather its scope was limited and not comprehensive enough. It did not agree with the definition of staff mobility provided in the report, and furthermore considered that a common definition was not required. It mentioned that not all forms of mobility had cost implications, although the emphasis in the report was on the cost of geographical mobility. The Human Resources Network highlighted the importance of quantifying the cost of not having mobility against the benefits of having mobility. It also considered that more attention was needed for support mechanisms for families, such as spousal employment and family assistance.

152. The three staff federations, FICSA, CCISUA and UNISERV, supported the recommendations in the report which called for a balanced approach to this complex subject. They noted that it was very important to consider not only geographical mobility, but also policies that underpin inter-agency mobility, which was an essential component to encourage staff movement across the United Nations

common system. They were in support of intra-organizational mobility policies which could strike a fair balance between organizational requirements and staff development and welfare. They considered that it was also important to stimulate functional mobility within their own organizations. They supported mobility with flexibility for efficiency, while stressing that mobility was only one element of an overall balanced approach for managing staff and their careers.

153. FICSA was of the opinion that staff should be motivated and encouraged to apply voluntarily for posts in other geographical areas. The Federation also expressed concern regarding the focus of the paper on the estimated financial implications of mobility in the current economic climate which could result in yet another rift between a commendable objective and the actual implementation. In recognizing that organizations had different approaches and needs for staff mobility according to mandates and strategic objectives, FICSA reiterated its view that unless policies for intra-organizational and inter-organizational mobility were harmonized and coordinated, no tangible developments would be achieved.

154. CCISUA recalled the observations and experiences shared by the staff during the panel discussion on mobility, which included issues relating to the quality of life for them and their families due to mobility requirements during a United Nations career. It reminded the Commission that while there were many benefits to be gained from mobility — both for the individual staff member and for the organization as a whole — there were also many considerations by staff when deciding whether to enter the United Nations, to stay or not in the United Nations, or to take another United Nations position through lateral movement or an inter-agency reassignment. CCISUA stressed that workforce planning should be an important element for career planning, and mobility policies would go hand in hand. While mobility had many positive aspects, it further noted that organizations should consider what happens when specialist staff moves. Therefore, it was of the view that the Commission could explore ways for specialists to have temporary assignments outside their duty stations to give them a wider breadth of experience. It also pointed out that it might be counterproductive to force a specialist into a generalist post just to achieve a target of staff mobility as it would eventually erode the individual's specialist skills and the strength they bring to the organization's efficiency.

155. UNISERV supported a global United Nations mobility policy and was concerned that it had been described as a United Nations Secretariat policy without an inter-agency mobility component and workforce planning. This would restrict the aim of a United Nations mobile workforce: "One United Nations, One Staff" and would add further barricades to burden-sharing. Since mobility for the sake of mobility was not a good justification, UNISERV considered that any mobility policy should have a purpose within the mandate of the organization. It further noted that a mobility policy must be manageable with equity and transparency. While global statements for mobility invite discretion, it stressed that mobility should not be designed to relocate staff for other purposes, i.e. performance or personal dislikes. It pointed out that two of its member organizations that had launched ambitious global mobility policies had to later abandon those efforts owing to difficulties in applying the policy in a non-discretionary manner.

156. The Commission recognized that mobility was an important element for any international organization with a field presence. At the same time, it was recognized

that mobility policies in the organizations of the common system were now and needed to remain diverse because of the organizations' mandates, size, operational needs and activities. It agreed that in some United Nations common system organizations mobility should be obligatory for internationally recruited staff if the mandates of the organization required mobility.

157. The Commission noted that some of the organizations of the United Nations common system had changed over the years from a headquarters-based structure to field-based, decentralized and regionalized structure. The Commission considered that while the primary objective of mobility was to deliver functions and programmes of the organization, it also contributed to the development of staff.

158. The Commission observed that even without a specific promulgated mobility policy in many organizations, staff members were still mobile as some organizations had a culture of mobility. Considering that even in very small organizations there was some form of mobility, the Commission noted that not all organizations had a formal policy on mobility, including the United Nations. It was of the opinion that a mobility policy was not only for geographical mobility but also for other forms of mobility, such as functional and inter-agency mobility. Therefore, the Commission stressed that all organizations should promulgate a broad-based mobility policy, in coordination with their governing bodies.

159. The representative of the United Nations Secretariat informed the Commission that a mobility policy for the United Nations was under development and would be submitted to the General Assembly at its sixty-seventh session for its approval. The proposal was more focused on allowing staff to direct their own mobility through career progression, changing functions and developing new talents, while allowing the Organization to build a more dynamic, global and adaptable workforce. She explained that the proposal reflected the philosophy that mobility came in many forms and that not every move needed to be geographical, while geographical mobility would be recognized and rewarded. In response to a query regarding a recent voluntary staff exchange programme aimed at improving mobility within the departments of the United Nations Secretariat, she stated that the overall result had not been successful, as only 33 out of 401 eligible staff members were placed on a lateral move through the programme between 2008 and 2011.

160. Some members of the Commission observed that it was unlikely that all occupational groups would be mobile to the same degree. As a consequence it would be good practice to identify specific posts as rotational to facilitate workforce planning. It was not necessary for all organizations to achieve high rates of mobility unless required by their operational needs. Instead, organizations should strive for a balanced approach with due consideration to programme delivery, cost-effectiveness and staff concerns. In this regard, the Commission was in agreement that it would be necessary to explore appropriate indicators to assess the effectiveness of mobility policies in the organizations; these could include, for example, the percentage of posts subject to mobility, vacancy rates for posts in the field, or programme results in the field.

161. The Commission also discussed whether mobility should be mandatory or voluntary. While noting that some organizations were favouring mandatory over voluntary mobility, the members of the Commission were of the view that decisions regarding individual movements should also take into account family situations, such as childcare, elderly care, spousal employment or health issues, using an

objective approach on a case-by-case basis. The Commission members were in agreement that a mobility policy should not be implemented through a rigid approach just for the sake of mobility. However, they also recognized that there could be a need for mandatory mobility in some organizations to serve their organizational goals and mandates.

162. Some Commission members highlighted the importance of implementing support mechanisms and measures for staff and families when moving from one location to another. These support systems should focus on assisting families, such as providing information on international schools or helping with work permits for spouses. One member of the Commission was of the view that if staff moves were to meet organizational goals, families of staff should be able to stay at the parent or former duty station of staff.

163. The Commission also expressed its concern that some staff members were serving in hardship duty stations, such as Afghanistan, for more than six years. It agreed that there should be organizational policies to prevent too long assignments in difficult duty stations, as these types of assignments could be counterproductive for the work and life of staff as well as for the effectiveness of programme delivery.

164. The Commission drew attention to its work on mobility in recent years. It noted the numerous measures that had been taken to encourage mobility, such as its review of the mobility and hardship scheme, the revised contractual framework, the introduction of danger pay, the designation of non-family duty stations, the additional hardship allowance and the revised rest and recuperation framework, but also noted that the Commission itself, however, did not establish general rules regarding mobility. Therefore, the Commission was of the view that it should also be focusing on establishing standards for mobility including guidelines to facilitate career progression of staff. Some members considered that perhaps a working group modality could be used to develop such criteria, definitions, standards and guidelines for application in all organizations of the common system.

165. The Commission noted with disappointment that many organizations had not been able to provide the actual cost for geographical mobility. It recalled that despite a considerable amount of discussions on staff mobility over the years, not only in the Commission, but also in the General Assembly, other than anecdotal statements, there had been no comprehensive cost-benefit analysis of mobility for any organization. It further noted the work by the Joint Inspection Unit on mobility in recent years. The Commission agreed that financial implications of mobility must be an important consideration for organizations when implementing a mobility policy. Mobility policies should not be implemented without giving due consideration to cost benefit analysis especially during times of financial constraints. In addition, funding sources to meet such cost should be identified in advance.

166. In the view of the Commission, mobility policies should emanate from workforce planning based on organizations' mandates and taking into account budgetary considerations. It emphasized that any organization should know its requirement for a certain level of staff mobility and the associated cost. While recognizing the benefits of mobility that directly supported programme delivery, the Commission was not in favour of staff mobility "for its own sake". Consequently, the Commission stressed the importance of identifying in advance the intended results expected from staff mobility policies and highlighted the need for

organizations to carefully examine the relationship between costs and benefits. The Commission noted that the one-time cost of geographical mobility per staff was around $60,000 as estimated by its secretariat, which included relocation grant, travel costs, terminal expenses and assignment grant, while recognizing that there were other recurrent cost elements, such as the allowances under the mobility and hardship scheme and others, in addition to the one-time cost. Based on the information received through the panel discussion on mobility, the Commission also noted that incentives such as the allowances under the mobility and hardship scheme did not really influence staff to make their decision regarding geographical mobility. It was also clear that some mobile staff members were not aware of such incentives and, perhaps, this was because those incentives were paid after a staff member had moved, instead of upfront.

167. There were diverse views regarding definitions for the terms related to mobility. At the end, the Commission agreed that it was worthwhile to have clear and consistent definitions for the terms on mobility for the common system. The Commission reiterated that mobility included not only geographical mobility but also functional and inter-agency mobility.

168. The Commission recalled its previous discussions on inter-agency mobility in 2010 at its seventy-first session and noted that the award of continuing contracts and its recognition were not the same across the common system. Also, there was a lack of clarity in the instruments used to regulate inter-agency mobility concerning return rights, and there was inconsistency in the application of secondments. The Commission agreed to continue its work on inter-agency mobility and reminded its secretariat to carry out an analysis to identify barriers and actions that could be taken to facilitate inter-agency mobility. Further, the Commission was of the view that lessons learned and best practices within and outside the common system should be documented and shared with organizations.

Decisions of the Commission

169. The Commission decided to:

(a) Take note of the information provided by its secretariat on mobility policies and practices in the organizations of the United Nations common system as presented in annex VIII;

(b) Underscore that staff mobility, mandatory and/or voluntary, is an integral element of an effective international civil service;

(c) Urge organizations of the common system to develop a formal mobility policy, through consultations with their staff and governing bodies where applicable, and communicate it to all staff in order to facilitate the execution of the organizations' mandates and support the career aspirations of staff;

(d) Encourage organizations to include in their mobility policy a framework for managing all aspects of staff mobility in accordance with the functional needs of the organization and the principles of fairness, equity, consistency and adequacy of the support given to staff. Mobility requirements should be balanced between the needs of the organization and the career aspirations of the staff and at the same time take into consideration any exceptional special needs of staff and their families;

(e) Highlight the importance of linking staff mobility to career development plans, strategic workforce planning and succession planning;

(f) Provide a definition for the terms related to mobility as set out in annex IX and use a set of indicators to measure and describe the status of mobility in the organizations of the United Nations common system in order to facilitate communication and to aid data collection for future studies;

(g) Urge organizations to make informed decisions on the required level of geographical mobility based on a cost analysis of proposed staff mobility programmes and the identification and assessment of the expected benefits of such programmes;

(h) Request its secretariat to: continue its work on mobility; prepare a comparative study of best practices in the United Nations common system and in other similar organizations; develop a list of the barriers to mobility; and conduct a review of the status of inter-agency mobility among United Nations common system organizations and report on its findings at its seventy-seventh session.

Chapter V

Conditions of service of the General Service and other locally recruited categories of staff

Surveys of best prevailing conditions of employment at Rome (including the service differential)

170. On the basis of the methodology for surveys of best prevailing conditions of employment of the General Service and other locally recruited staff at headquarters and similar duty stations (Survey Methodology I), ICSC conducted a survey in Rome, with a reference date of April 2012. The new salary scale for the General Service category of the organizations of the common system in Rome, as recommended by the Commission to the executive heads of the Rome-based organizations, is reproduced in annex X to the present report. In addition to a new salary scale, the Commission also recommended revised rates for dependency allowances, determined on the basis of tax abatements, legislated payments and the surveyed employer-specific payments.

171. The recommended salary scale for the Rome-based organizations shown in annex X is 9.20 per cent lower than the current scale. As a result, the interim adjustment of 1.9 per cent due in November 2011, which, in accordance with the methodology, was suspended pending the completion of the survey, will not be granted.

172. As may be noted from the recommended salary scale for the General Service category of staff in the Rome-based organizations, the annual net salary at the highest point in this scale, GS-7/XII, is €72,587, or $96,397 at the April 2012 United Nations rate of exchange of €0.753 per $1. As at 1 April 2012, this net remuneration (net base salary plus post adjustment) was around the P-3/III level at the single rate.

173. The notional savings as a result of the implementation of the recommended salary scale are estimated at approximately $7.8 million at the April 2012 United Nations rate of exchange. However, as the recommended salary scale is expected to be implemented only with respect to staff recruited on or after the date of promulgation by the Rome-based organizations, there are no immediate savings associated with the Commission's recommendations on the revised salary scale and dependency allowances, with eventual savings realized as new staff are recruited.

174. The Rome-based organizations had also provided a pensionable service differential to staff who were regularly required to work beyond the regular established hours in the duty station. Since 2010, upon a decision of the Pension Fund that the practice was in violation of article 54 (a) of the Fund's regulations, they had ceased the practice of treating the differential as a pensionable element of remuneration. The matter had been brought to the attention of the Commission at its seventy-second session when the Commission decided to review the issue at the time of the next survey of best prevailing conditions of service in Rome (A/66/30, para. 78).

175. The present survey showed that the local practice among the surveyed employers was to compensate for the hours worked beyond the normal established work hours primarily through overtime payments, although some employers

provided a combination of compensatory time off and overtime payments. In addition, since the Rome-based organizations had ceased the practice of treating the service differential as a pensionable element, a situation had arisen where staff in receipt of a service differential were compensated for the extra hours worked on a basis of the normal hourly rate of pay (which was no longer pensionable), while other staff members in receipt of overtime were compensated at a higher hourly rate of pay. The Commission agreed that under the circumstances it was difficult to justify maintaining the service differential modality. It decided to recommend discontinuance of the service differential modality and to align the compensation for hours worked in excess of the normally scheduled hours with existing overtime regulations in the Rome-based organizations.

Chapter VI

Conditions of service in the field

A. Danger pay

1. Implementation date for both categories of staff and possibility of delinking danger pay from salary scales of locally recruited staff

176. At its seventy-third session, in July 2011, the Commission decided to discontinue hazard pay and introduce danger pay. The level of hazard pay granted to locally recruited staff was not static; it was adjusted automatically whenever the salary scales were adjusted, namely following comprehensive salary surveys and the interim adjustments of salary scales between comprehensive surveys. Given this automaticity, which was declared undesirable by the General Assembly, the Commission agreed to consider delinking danger pay from the salary scale of locally recruited staff.

177. Pending a review and as an interim measure, the Commission had decided to establish the level of danger pay at the rate of 25 per cent of the net midpoint of the applicable local General Service salary scale, with adjustments to be made as the salary scales were revised, that is, to maintain the same amount and adjustment procedure as for the earlier hazard pay. The Commission had requested its secretariat to conduct a study of the methodology for establishing the level of danger pay for locally recruited staff.

178. In order to assess the level of danger pay for locally recruited staff, the secretariat examined the salary scales of seven representative duty stations and the adjustments of the levels of hazard pay determined according to the three most recent reviews.

179. The analysis indicated that the increases in the level of the earlier hazard pay for three consecutive reviews had varied from 13.57 to 47.61 per cent.

180. Four options were presented for the Commission's consideration:

(a) To maintain the current methodology to calculate the danger pay rate, that is, 25 per cent of the net midpoint of the local General Service salary scale of the subject country. Whenever there is a change in the local General Service salary scale, the danger pay rate will be recalculated;

(b) To maintain the danger pay rates in all locations at the 2011 levels and review them every three years, applying the above methodology by using the latest General Service salary scale of the subject country. Whenever a new duty station is authorized to receive danger pay, it will be reviewed at the next three-year cycle using the same adjustment percentage as for the mobility and hardship scheme;

(c) To maintain the danger pay rates in all locations at the 2011 levels and adjust them every three years using the same adjustment percentage as for the mobility and hardship scheme. Whenever a new duty station is authorized to receive danger pay, it will be reviewed at the next three-year cycle;

(d) To use the average of all current daily rates to grant one global rate to all locations that receive danger pay. Taking into account the seven duty stations used for the analysis, the global rate would be $12.00 per day. The global rate would be reviewed every three years.

Discussion in the Commission

181. The Human Resources Network was of the view that the options set out in the document were unacceptably conservative. It should be recognized that local staff members were more frequently exposed to and directly at risk in dangerous situations than international Professional staff, and so it was not reasonable or consistent with the purpose of danger pay that local staff did not benefit from an increase in the amount of the allowance similar to that awarded to international professionals.

182. The Network considered that the linkage to the local salary scale was a straightforward and meaningful basis for calculating danger pay for local staff. In the light of the more rigorous and restrictive conditions for eligibility, and against the background of the 17 per cent increase in danger pay awarded to international staff compared to hazard pay, the Network urged the Commission to provide a similar increase for local staff. That would set danger pay for local staff at 30 per cent of the midpoint of the local salary scale.

183. The Network also commented on the effective date for the introduction of danger pay, which was 1 March 2012, delayed from 1 January 2012. Given that the list of duty stations to which danger pay would be applicable had not yet been made available to organizations, the Network had not had the opportunity to communicate with staff to explain fully the forthcoming change in their conditions of service. The Network reminded the Commission that, despite no material change in the prevailing security conditions, some local staff would abruptly stop receiving hazard pay, which might in some cases have a negative impact. Therefore, the Network requested that the decision to implement danger pay be postponed to 1 July 2012, in line with the implementation date for other changes in security provisions.

184. FICSA supported the proposal from the Human Resources Network to increase the rate of danger pay from 25 to 30 per cent of the midpoint of the salary scale for locally recruited staff, as this would be consistent with the action taken on the same entitlement for internationally recruited staff and the substantial change in the nature of danger pay from hazard pay. FICSA recalled that the local staff are often at the forefront of United Nations activities in high-risk areas, and it would give a bad sign if the danger pay for this category of staff were reduced or kept at the same level. However, the Federation was of the opinion that the linkage to the salary scales should be maintained, as it would be the best way to ensure timely adjustments, as necessary. FICSA also requested more information on the number of locations where staff would be affected by the shift from hazard to danger pay, quantifying their respective values on a per capita basis.

185. CCISUA recalled that the official list of duty stations where danger pay would be introduced had not been made available at the point when the decision had been taken by the Commission at its seventy-third session to move from hazard pay to danger pay. CCISUA questioned how any possible changes could be debated and decided without such basic data. In many of the duty stations that would qualify for danger pay, locally recruited staff were actually exposed to considerably more risk than were international Professional staff. The idea that national staff were living close to home and were thus less exposed than international staff was not entirely

true, and CCISUA stressed that in some circumstances, so-called "local" staff were actually living thousands of kilometres away from their homes. It was further noted that some locally recruited staff members were afraid to state publicly that they were working for the United Nations out of fear for their own safety or that of their family. CCISUA agreed with FICSA that linking the adjustment to danger pay to the salary was the best option along with the proposal by the Human Resources Network to move from 25 per cent to 30 per cent of the midpoint.

186. UNISERV agreed with FICSA and CCISUA and pointed out that there had been a focus on providing additional assistance to internationally recruited staff to reduce security risks, such as paying for guards and window bars in their homes, while locally recruited staff had to pay for any security measures from their own means. Equity was a crucial factor in determining the amount paid to both categories of staff.

187. The Commission acknowledged that the situation of locally recruited staff was often extremely difficult, as they were often at the front lines and were most exposed to security risks. In addition, in some cases locally recruited staff remained at the duty station when international staff had been evacuated, and they continued to carry out the programmes of the United Nations organizations. Any proposal should therefore be balanced and fair, keeping in mind that the amount of danger pay had been reserved for those duty stations with the highest security risk.

188. When discussing the four proposed options, the Commission agreed that the use of one global rate would not be in keeping with the notion of equity, as any flat rate would create inequality given the different General Service salary scales in all duty stations. This option was therefore not supported and was not considered further. The remaining three options were also not considered suitable as presented, although certain aspects of them had merit. It was pointed out that since the allowance was currently linked to the midpoint of the local General Service salary scale, the staff at the lower end of the scale received a proportionally higher percentage of danger pay compared to their salaries than those at the higher end of the scale. It was noted that the National Professional Officer category was grouped with the General Service category, with the result that danger pay, as a percentage of the salary for this category of staff, was considerably lower.

189. Considering the higher level of the amount of danger pay for internationally recruited staff in comparison with hazard pay which was being discontinued as of 31 March 2012, it was felt that the current review provided an opportunity to delink danger pay from the salary scale. It was also an appropriate time to consider an increase in the level of danger pay for locally recruited staff.

190. The Commission noted that the cost implications based on the latest data on staff deployment would not be significant when the following factors were taken into consideration: (a) the reduced number of duty stations receiving danger pay versus hazard pay; (b) the increase of the level from 25 per cent to 30 per cent of the midpoint of the General Service salary scale combined with the delinking of the rate from the salary scale.

191. After examining the evaluation of hazard pay, which was now being replaced by danger pay, there was general support for delinking danger pay from the local General Service salary scale for increasing the levels in effect from 25 per cent to 30 per cent of the midpoint of the salary scale and reviewing the then fixed rates

every three years at the same time as the rates for the internationally recruited staff are reviewed.

Implementation date of danger pay

192. As requested by the Human Resources Network and the staff federations, the Commission also discussed the implementation date for danger pay. At its seventy-third session, the Commission had decided to discontinue hazard pay and introduce danger pay effective 1 January 2012. Subsequently the Commission decided to extend hazard pay until 29 February 2012 and implement danger pay as from 1 March 2012, in order to allow the Department of Safety and Security to complete its review of locations that met the new criteria for danger pay. As the list of recommended locations for danger pay had been received by the Commission only a few days before the discussion at the session, the organizations had not been informed in a timely manner of the changes from hazard pay to danger pay locations and, therefore, requested more time to inform staff. The Commission therefore agreed to an implementation date of 1 April 2012.

Decisions of the Commission

193. The Commission decided:

(a) To extend hazard pay until 31 March 2012 and to implement danger pay as of 1 April 2012 for both internationally recruited and locally recruited staff;

(b) To increase the level of danger pay effective 1 January 2013 to 30 per cent of the net midpoint of the applicable 2012 General Service salary scales of those duty stations qualifying for danger pay, and to delink danger pay effective 1 January 2013 from the applicable General Service salary scales;

(c) To review the level of danger pay for locally recruited staff at the same time as the level for internationally recruited staff is reviewed;

(d) To request its secretariat to put forward options to address the methodology for adjustment of danger pay for both categories of staff.

2. Estimated annual common system financial implications of the replacement of hazard pay with danger pay

194. The General Assembly, in paragraph 7 of resolution 66/235 B, requested the Commission to provide, in the context of its report for 2012, an update on the estimated annual system-wide financial implications of the replacement of hazard pay with danger pay.

195. The Commission requested information from the United Nations common system organizations concerning:

(a) The total expenditure for hazard pay in 2011;

(b) The number and category of staff having received hazard pay and the total amount of hazard pay paid during the month of March 2012 (i.e. the last month when hazard pay was in effect);

(c) The number and category of staff having received danger pay and the total amount of danger pay paid during the month of April 2012 (when danger pay was introduced).

196. The United Nations, UNDP, ICAO, UNHCR, UNICEF, UNIDO, UNOPS, WFP and WHO provided the requested data. Other organizations were unable to provide data because of difficulty in extracting data from the financial reports from duty stations with decentralized payroll, especially with regard to actual amounts of hazard and danger pay paid to locally recruited staff.

197. The total expenditure related to hazard pay for 2011 reported by the organizations that responded was $111,295,523. As hazard pay locations were reviewed every three months, it should be noted that the number of eligible locations changed during the year.

198. The reported expenditure for hazard pay and danger pay during the months of March 2012 and April 2012, respectively, is provided in table 1.

Table 1
Expenditure for hazard pay (March 2012) and danger pay (April 2012)
(in United States dollars)

	Internationally recruited staff		*Locally recruited staff*			
	Number of staff	*Amount paid*	*Number of staff*	*Amount paid*	*Total staff*	*Total amount paid*
Hazard pay (March 2012) (a)	3 926	4 109 959	12 063	4 136 300	15 989	8 246 259
Danger pay (April 2012) (b)	3 297	3 930 399	10 661	4 112 293	13 958	8 042 692
Difference (a)-(b)	629	179 560	1 402	24 007	2 031	203 567
Difference (percentage)	16.0	4.4	11.6	0.6	12.7	2.5

199. The total expenditure for danger pay in April 2012 for both categories of staff was $203,567 (or 2.5 per cent) lower than the total amount spent on hazard pay in March 2012.

200. The locations eligible for danger pay are reviewed every three months and are therefore subject to change. It is noted that locations in 12 countries were eligible for danger pay when it went into effect on 1 April 2012, which is a lower number than the 18 countries with locations that were previously eligible for hazard pay. A decrease in the number of staff members eligible for danger pay was also noted in both categories. The number of staff members who received danger pay in April 2012 was 2,031 (or 12.7 per cent) lower than the number of staff members who received hazard pay in March 2012.

201. It is recalled that the amount of hazard pay applicable to internationally recruited staff was $1,365 and the current amount of danger pay is $1,600. Total expenditure for hazard pay for internationally recruited staff in March 2012 was $179,560 (or 4.4 per cent) lower than the total expenditure for danger pay in April 2012. It is also noted that the average amount actually paid in respect of hazard pay was $1,047 per staff member, while for danger pay the average amount paid was $1,192 per staff member. Danger pay is payable for time away from the duty station

on rest and recuperation travel and official duty travel up to a maximum of seven consecutive calendar days. These averages indicated that staff members generally did not receive the allowance for the full month, which could be owing to, for example, new assignments and departures of staff during the month, or to periods of absence on annual leave.

202. For locally recruited staff members, the danger pay allowance is calculated locally at the rate of 25 per cent of the net midpoint of the applicable local General Service salary scale. With effect from 1 January 2013, the Commission decided to increase the current rate of 25 per cent to 30 per cent of the applicable 2012 General Service salary scales and to subsequently delink danger pay from the applicable General Service salary scales. Although the number of eligible staff members has decreased with the replacement of hazard pay with danger pay, the total amount paid for danger pay during April 2012 was only some $24,000 (0.6 per cent) lower than the amount paid for hazard pay during March 2012. It is also noted that the average amount paid in respect of hazard pay was $343 per staff member, while for danger pay the average amount paid was $386 per staff member. This could be explained by increases in the local salary scales and the fact that eligible locally recruited staff members receive danger pay as a monthly allowance, as opposed to receiving hazard pay only when they reported for duty.

203. Owing to the inherent difference in the criteria, there is a reduction in the number of locations eligible for danger pay as opposed to hazard pay. Since it is difficult to predict the places where danger pay may be applicable in the future, total requirements for danger pay can be estimated only on the basis of past experience. The size of a duty station in terms of numbers of staff present also has a significant impact on the costs, as does the period of eligibility. Based on the reported expenditure for hazard pay in 2011 and the amounts paid during the months of March and April 2012 for hazard pay and danger pay, respectively, the replacement of hazard pay with danger pay has resulted in some savings during the reporting period.

204. Based on the actual expenditure for danger pay in April 2012 in the amount of $8,042,692 reported by the organizations and the number of duty stations where danger pay was in effect as of 1 April 2012 (some 150 duty stations), and based on the rate for locally recruited staff of 25 per cent of the applicable General Service salary scale in effect until 31 December 2012, it is estimated that the annual requirement for danger pay would be approximately $96.5 million. With the increase in the rate for locally recruited staff from 25 to 30 per cent with effect from 1 January 2013, representing an increase of $9.9 million, and assuming that the number of staff receiving danger pay remained the same, the annual requirement for danger pay is estimated to be approximately $106.4 million. It may be noted that this estimated requirement is lower than some $111.3 million spent on hazard pay in 2011 by the same organizations. The financial implications of replacement of hazard pay with danger pay could result in savings of approximately $4.9 million owing to a reduction in the number of duty stations eligible for danger pay when compared with duty stations that were eligible for the former hazard pay. On the other hand, taking into account that some field-based organizations, such as FAO and UNFPA, were unable to provide expenditure data, as well as being cognizant of the fact that it is not possible to predict danger pay locations in advance, it is difficult to estimate savings.

205. Extrapolating the difference between expenditure in respect of danger pay during April 2012 over the expenditure in respect of hazard pay during March 2012 of some $200,000, the projected savings of the replacement of hazard pay with danger pay would be $2.4 million annually. It should, however, be noted that the expenditure for danger pay for locally recruited staff members during April 2012 is based on 25 per cent of the net midpoint of the applicable General Service salary scales (which is in effect until 31 December 2012), and that the number of duty stations eligible for danger pay is subject to change every three months.

B. Rest and recuperation

1. Accommodation portion of travel

206. In 2010, the General Assembly, in its resolution 65/248, approved the main elements of the rest and recuperation framework as proposed by the International Civil Service Commission. In addition, the Assembly decided that the framework should be regulated by the Commission, ensuring that all organizations of the United Nations common system would adopt the elements approved. However, the Assembly did not approve the Commission's recommendation that compensation for accommodation costs be paid to staff on rest and recuperation travel and requested the Commission to submit to it at its sixty-seventh session recommendations on a harmonized subsistence allowance, or lump sum.

207. Where rest and recuperation travel was authorized to a place other than the administrative place of assignment, some organizations had paid a flat rate lump sum of $750 to cover accommodation and terminal expenses; other organizations paid a daily subsistence allowance, or, in some cases, no accommodation allowance was paid. The flat rate lump sum of $750 paid by several organizations had been arrived at by calculating the average accommodation portion of the daily subsistence allowance applicable to the then-designated places of rest and recuperation and rounded up to $750 to include a small amount for terminal expenses.

208. In resolution 65/248, the General Assembly decided that the organizations of the United Nations common system should cover only the travel costs of the rest and recuperation framework until a further decision of the Assembly on the issue was taken at its sixty-seventh session. Therefore, as of 1 July 2011, all payments related to the cost of accommodation, meals or terminal expenses were to cease. Today, none of the organizations are paying such allowances.

Discussion in the Commission

209. The Human Resources Network thanked the ICSC secretariat for the document and stated that the majority of its members were pleased with the proposal to grant a lump sum for the accommodation portion of rest and recuperation travel. The Network highlighted that rest and recuperation was essential for staff in difficult duty stations and was critical for staff well-being and maintenance of a productive workforce. The Network expressed the belief that a stronger case could have been made in the document and they would have provided data to make the case. For example, it had been reported by organizations that fewer staff make use of rest and recuperation travel, which is a very negative development. Therefore, utilization rates should have been carefully examined to analyse the impact of the revised

framework. The Network also emphasized that organizations have harmonized conditions of service in the field and were of the view that some comments in the report had been taken out of context. They also believed that human resources-related information should be provided by the respective offices of human resources management, and ICSC should not utilize any information provided directly by staff. The Human Resources Network valued the good working relationship with the Commission and would have liked to have been consulted on the data at an earlier stage. All organizations are committed to harmonize entitlements paid in non-family duty stations, but that harmonization will be fully achieved only after the five-year transitional period approved by the General Assembly.

210. The representative of FICSA stated that given the fundamental importance of this allowance for the well-being of the staff assigned to hardship duty stations, FICSA has in previous occasions expressed its concern over the discontinuation of the payment of daily subsistence allowance to staff on rest and recuperation travel. FICSA supported the payment of an additional lump sum amount of $750 to cover accommodation expenses. FICSA also requested clarification on the modalities and frequency of adjustments of this amount in future.

211. The representative of CCISUA stressed the importance of rest and recuperation as a mechanism to ensure the health, safety and productivity of staff, and in turn, the effective delivery of the United Nations programmes in difficult and stressful working conditions. They also recalled the presentation by the UNHCR staff counsellor last year in Paris underlining those principles. CCISUA suggested that there be information provided on the utilization rates after the organizations stopped paying daily subsistence allowance and rest and recuperation was no longer mandatory. This information would be particularly important for the General Assembly. CCISUA strongly supported the lump sum payment of $750 to cover accommodation expenses, which would assist staff to pay for their additional costs while away from their duty stations and be an element to encourage them to avail themselves of the necessary break to refresh themselves prior to returning to work at their hardship postings. Lastly, CCISUA asked how future adjustments would be considered.

212. The representative of UNISERV agreed and supported the details stated by CCISUA. They further supported the recommendations in the document for the lump-sum payment of $750 in respect of the accommodation portion of travel on rest and recuperation. However, they also noted with concern resolution 65/248 which states that the cost of any subsidy for accommodation purposes would have to be absorbed within the current budgets and that it should not affect operational requirements; this would encourage cutting posts and other staff benefits which appear to be the norm in the organizations. UNISERV requested the Commission to impress upon the General Assembly that once it changes conditions of service of staff, the additional funds required to meet those costs must also be approved instead of seeking to achieve that funding through the cutting of staff posts and/or benefits.

213. Commission members who had participated in a visit to Afghanistan following the spring session had observed that quite a substantial number of staff had been serving for five, six or more years in the most difficult duty stations.

214. One Commissioner noted that during the visit to Afghanistan, the Commission was made aware that lump-sum travel payments made in connection with rest and

recuperation may have been adjusted upward to provide some allowance for expenses while on rest and recuperation. The organization representatives objected to the use of information that had not been provided through "appropriate channels". This Commission member pointed out that ICSC had made considerable efforts to visit field locations to learn about the conditions of service in the field. The first-hand information had helped in understanding and relating to the conditions experienced by staff, particularly in hardship duty stations. Furthermore, it allowed staff to express their concerns. It was therefore entirely appropriate to use information obtained during field visits when the Commission was discussing conditions of service and allowances for such duty stations.

215. The Commission recalled statements made by the staff members that had participated in the panel on mobility organized by the ICSC secretariat during the session. Most of those staff members, several who had made a number of geographical moves and served in difficult duty stations, seemed not aware of all the allowances in place. As such, those allowances did not seem to be an incentive to mobility. The only time financial incentives were mentioned by panel members was when they mentioned that often they had to pay large sums from their pockets up front for settling in a new location as their payments from their organizations were lagging behind or were paid on a monthly basis instead of a lump sum. It was also recalled that in the ICSC staff survey, compensation had rated seventh as a reason for working for the United Nations.

216. The Commission recalled that it had not looked at the entire package of benefits, including the additional hardship allowance, danger pay and others. As such there was not a compelling case for the introduction of a new allowance at this time. Furthermore, the General Assembly had indirectly stopped the payments for the accommodation portion by authorizing payment of only travel costs. It was further recalled that the Commission had recently decided to continue the payment of danger pay during rest and recuperation travel, which amounted to some $350 per travel. It was pointed out that only approximately 20 per cent of rest and recuperation locations received danger pay.

217. Clarification was also requested on the 12-month home leave cycle and its relation to rest and recuperation. The Commission noted that the 12-month home leave cycle had been introduced in 1980 to replace the rest and recuperation practices in place in some hardship duty stations.

218. It has been widely acknowledged that rest and recuperation breaks are essential for those staff working in difficult and stressful conditions. However, some organizations stated that while rest and recuperation was still mandatory, it was difficult to enforce it from a legal point of view without paying staff the accommodation portion. Commission members recalled that United Nations Secretariat staff had taken advantage of rest and recuperation travel without ever having had the benefit of an allowance for accommodation.

219. Commission members expressed concern regarding the assumptions on the financial implications. Given the information provided by the organizations on the significant decreased utilization rate of rest and recuperation travel comparing 2011 to 2010, the real costs could not be determined, and more investigation was necessary. The Commission took note that the Human Resources Network Field Group was collecting data on the implementation of ICSC decisions to ensure harmonization. In this regard, the utilization rates of rest and recuperation travel

would also be examined, and the organizations were requested to provide this information when available. The Commission concluded that it was not possible to take a decision on a lump-sum amount for the accommodation portion of rest and recuperation at this time.

Decisions of the Commission

220. The Commission decided to:

(a) Defer consideration of an allowance for the accommodation portion of rest and recuperation travel;

(b) Request the Human Resources Network to provide the ICSC secretariat with information on the cost and utilization rates of rest and recuperation travel.

2. Criteria for granting the four-week rest and recuperation cycle

221. In its resolution 66/235 B, the General Assembly approved, with effect from 1 July 2012, the revised set of criteria for the granting of rest and recuperation travel and requested the Commission to provide detailed criteria for granting a four-week rest and recuperation cycle.

222. The four-week rest and recuperation cycle is not a part of the regular framework because it is to be applied as an exception. Under his delegated authority, the Chair of ICSC can approve a four-week cycle for rest and recuperation upon the recommendation of the Human Resources Network of CEB (see A/66/30/Add.1).

Discussion in the Commission

223. The representative of UNDP, on behalf of the Human Resources Network field group, explained how organizations had made the decisions on the four-week travel cycle in prior years. Although precise criteria were not formulated, the organizations had taken into account the recommendations of the United Nations country teams and had consulted with the Department of Safety and Security. The representative mentioned that if one of the criteria for the four-week rest and recuperation cycle were to include all duty stations where there was no support structure, there would be many such cases. The representative further assured the Commission that the Human Resources Network field group monitored the situation very closely. The representative asked how the situations of natural disasters would be handled. The Commission was of the view that the situations should be dealt with on a case-by-case basis, as they occurred.

224. The representative of UNHCR suggested that instead of trying to define the criteria too precisely, there should be more emphasis on the opinion of the Chair.

225. In a joint statement, CCISUA, FICSA and UNISERV stressed the importance of rest and recuperation as a mechanism to ensure the health, safety and productivity of staff and, in turn, the effective delivery of United Nations programmes operating under difficult and stressful working conditions. They further recalled the presentation by the UNHCR staff counsellor at the seventy-third session of ICSC, held in Paris, underlining those principles. They noted that the four-week cycle that had been agreed upon had been changed without any inputs requested from the staff federations. The change in the cycles, following a General Assembly decision, had

led to a great deal of confusion and consternation from staff, in particular given the reductions in other support programmes. Furthermore, according to the new framework, the staff federations were not included in a mechanism to recommend duty stations for a four-week cycle, despite the fact that they had participated in other such mechanisms for determining the non-family status and hardship classification of duty stations. They believed that this was an oversight that needed to be corrected.

226. Some Commission members were of the view that the criteria should have some specificity, even if by way of examples. One member suggested adding the example where staff members were escorted to and from their living quarters to their work place; while at work, staff were isolated from the outside world because there were no windows and then they were confined to their living quarters when they left their offices. A Commission member suggested adding the "transference factor" and recalled the points made by the representative of the staff counsellor's group during the Commission's seventy-third session, held in 2011. The counsellor had stated that staff who were subjected to extremely stressful situations, including by working daily with victims suffering violent and tragic situations, sometimes suffered from "transference", which means that the staff members can take on the plight of the victims as if they had been a victim themselves. According to the counsellor, studies had shown the importance of frequent and short rest periods to mitigate such circumstances, and when transference did occur, frequent and short rest periods improved recovery time.

227. On the criteria for natural disasters, it was mentioned that such situations might or might not affect United Nations system staff and that the severity would be determined by the infrastructure in place in the location or the accommodations that the United Nations was able to provide to staff. Furthermore, a natural disaster did not normally last for a prolonged period. In most cases the situation improved quickly, and it was not necessary to put in place rest and recuperation measures for staff. A Commission member stated that an exhaustive list of elements could be provided, but that there would always be situations where the criteria did not fit, as such situations were unpredictable.

228. Commissioners agreed that the authority of the Chair in the process needed to be highlighted, leaving space for a level of flexibility. It was understood that the four-week rest and recuperation cycle was an exception and that it should be dealt with on a case-by-case basis. Their living conditions had to be considered; if staff were living in extreme confinement such as in conditions with no natural light, and/or without opportunities to leave the compounds, they may need more frequent but short rest periods.

229. When reviewing the recommendations of the Human Resources Network for the granting of the four-week cycle, the Chair would rely on the recommendations of the Department of Safety and Security and of individuals who had close knowledge of the conditions on the ground. The Department of Safety and Security also had counsellors that visited or were posted at such locations, and their input would assist with the Chair's decision.

230. The Commission also considered that the Chair should be able to revoke the four-week cycle and stated that the time frame should be included in order to give the General Assembly assurance that there was a process for the review of when to end the four-week rest and recuperation cycle. On the periodicity of reviews, the

secretariat confirmed that it was currently held biannually, in conjunction with the hardship review of duty stations. The Commission was of the view that these "exceptional" locations which were on the four-week cycle should be reviewed more frequently and therefore decided that the review should be done every three months.

Decisions of the Commission

231. The Commission decided on the following:

(a) The Chair, under the delegated authority of the Commission and upon the recommendation of the CEB/Human Resources Network, may approve the four-week rest and recuperation cycle for very exceptional cases as long as the conditions for granting it exist. In doing so, the Chair's decision to approve and to terminate the four-week cycle will take into consideration the views of the Department of Safety and Security, as well as other sources who have close knowledge of the conditions in the particular locations;

(b) The four-week rest and recuperation cycle will be dealt with on a case-by-case basis and will be granted when conditions over and above those required for eligibility of the six-week cycle are deemed to exist. The locations approved for the four-week cycle will be reviewed every three months. An appropriate transition period will be given when the four-week cycle is no longer required.

C. Review of the security evacuation allowance and the extended monthly security evacuation allowance

232. The security evacuation allowance was introduced over time by United Nations common system organizations to support internationally recruited staff members during authorized evacuations from duty stations. Since 1994, the security evacuation allowance has been continuously reviewed by the organizations, the aim being a streamlined, simplified approach to security evacuation allowances. To achieve this aim, a single global amount was introduced, replacing differentiations and amounts linked to a daily subsistence allowance in a safe haven, home country or third country, depending on the location of evacuation.

233. A global rate thus replaced a complex schedule of evacuation allowances and established a common approach for all common system organizations. The current daily amount set by the CEB/Human Resources Network is $200 for the staff member and $100 (50 per cent) for eligible family members for up to 30 days. After 30 days, it would be reduced by 25 per cent, to $150 and $75, respectively, for a maximum period of six months. In addition, a one-time lump-sum shipping entitlement of $500 would apply.

234. Payment of an evacuation allowance was normally not authorized beyond a six-month period. In cases where the return of the staff member had been authorized but the duty station declared a "non-family area", a reduced amount of the allowance, or extended monthly security evacuation allowance, became payable in respect of eligible family members. This amount was determined by applying the rental threshold percentage to the salary level of a single staff member at the P-4, step VI, level.

235. Once evacuation from a duty station is officially declared by the Under-Secretary-General for Safety and Security, evacuation of internationally recruited staff and their eligible family members to an authorized destination follows. An authorized evacuation from a duty station triggers payment of the security evacuation allowance.

236. The Commission considered the security evacuation allowance for the first time at its seventy-fourth session, in 2012. In accordance with article 11 of the ICSC statute, the rates of allowances and benefits are established by the Commission. Therefore, the history of the measures pertaining to the security evacuation allowance, as operated by the organizations, had been presented to the Commission with a view to formalizing them under its auspices. Members of the Commission, while noting that the organizations had been applying the security evacuation allowance for a number of years in a harmonized way, expressed concern about cost and questioned whether use of a global rate was considered better than application of a daily subsistence allowance rate.

237. The Commission requested further information on evacuations, such as the numbers of staff and eligible family members evacuated during 2010 and 2011, the duration and locations of evacuations and related costs. It decided to defer consideration of the security evacuation allowance and the extended monthly security evacuation allowance to its seventy-fifth session in order to resume discussion with more information at hand, including cost implications.

238. The secretariat prepared an updated report in accordance with the Commission's request. In some instances, a full evacuation of staff members and their eligible family members had occurred, while others involved the evacuation of eligible family members only. The duration of evacuations varied. The reported total amount paid in respect of security evacuation allowances for 2010 and 2011 was $5,544,960 in respect of 650 staff members and 216 eligible family members. Costs were significantly higher in 2010 than in 2011, amounting to $3,593,329 and $1,951,631 respectively. The difference was owing to the large number of staff evacuated from Côte d'Ivoire and Haiti in 2010, while the seven evacuations in 2011 involved a much lower number of evacuees. The average cost per person, approximately $6,400, was the same in both years.

239. The secretariat proposed as a definition that the purpose of the security evacuation allowance was to assist in offsetting direct added expenses of staff members and their eligible family members who are evacuated from their official duty stations. The secretariat considered that a clear definition of the purpose of the security evacuation allowance would facilitate the Commission's review and decision-making process.

240. The evolution of the security evacuation allowance and the methodology used by the organizations to calculate the global amount was reviewed. Consequently, the secretariat was of the view that the current methodology and security evacuation allowance amount of $200 could be considered as a viable option. In addition, the secretariat analysed the evolution of the daily subsistence allowance rates in the same sample locations over the period from March 2009 to April 2012, which resulted in an average daily subsistence allowance of $250. This amount was presented as one of the options for the Commission's consideration. Other options for consideration included payment of the daily subsistence allowance applicable at the location of evacuation; payment of the accommodation portion of the daily

subsistence allowance rate; or payment of the "after 60 day" daily subsistence allowance rate.

241. As noted above, the security evacuation allowance is paid for a maximum period of six months. In the event that the evacuation remains in place beyond this period, the allowance in respect of family members ceases to be paid as from the beginning of the seventh month. Following a six-month period, either the Department of Safety and Security lifts the evacuation status if the situation normalizes, or the Chair of the Commission may designate a duty station as a non-family duty station for purposes of additional hardship allowance for service in non-family duty stations (or special operations living allowance during the transition period). Considerations for designating duty stations as non-family are normally made in advance of the six-month period foreseen as the maximum duration for the payment of the security evacuation allowance. It is not envisaged that the extended monthly security evacuation allowance was likely to be frequently applied; rather, the Chair of the Commission is expected to make timely decisions with respect to designating duty stations as non-family, which in turn triggers payment of the additional hardship allowance instead of the security evacuation allowance. It is noted that the utilization rate of the extended monthly security evacuation allowance during 2010 and 2011 as reported by the organizations was negligible.

242. Considering that there could be instances when the designation of a duty station as non-family may not be made on or before six months of evacuation lapsed, the mechanism for paying an extended monthly security evacuation amount needed to be maintained. Three options were proposed for consideration by the Commission, namely, to maintain the current methodology for the extended monthly security evacuation allowance, to establish a global rate for that allowance, or to pay the extended allowance in the amount established for the additional hardship allowance.

Discussion in the Commission

243. The Human Resources Network emphasized that it was important to keep in mind the reasons for these allowances, both of which were of a temporary nature. Both administrations and staff had expressed their overall satisfaction with the current system which functioned well and met the needs of the organizations. The Network supported the definition and purpose of the security evacuation allowance as proposed in the document, as well as the recommendation for a global lump sum. The Network indicated its preference for option 1, which would increase the amount of security evacuation allowance from $200 to $250. It also supported option 1 for the extended monthly security evacuation allowance, which would maintain the current methodology for calculating the allowance.

244. The Network stated that because the nature of situations warranting the payment of a security evacuation allowance was unpredictable — as supported by the evacuation data provided in the document — it cautioned against making the allowances overly specific. The number of evacuations over the past two years had had little relationship to cost, to the numbers of staff or to the duration of evacuations. Evacuations could occur in the most unpredictable manner, and organizations needed to remain cognizant of the extreme challenges such situations placed on staff members and their families, hence the need to be flexible. The

Network further stated that the security evacuation allowance was needed to be administratively simple and thus favoured a lump-sum approach. The Network was not in favour of limiting the allowance to the accommodation portion of the daily subsistence allowance, nor linking it to specific locations, as that would be administratively cumbersome. Updating the figures to better reflect the current cost of living based on daily subsistence allowance rates was all that was required. In closing, the Network recalled that the security evacuation allowance was reduced by 25 per cent after the first 30 days, and that the organizations always looked for situations where families could either go home or return to the duty stations as soon as the situation permitted.

245. The representatives of FICSA, CCISUA and UNISERV, in a joint statement, took the opportunity to underline that Member States were increasingly calling on staff to work in more difficult and dangerous duty stations. The security evacuation allowance was essential to ensuring that staff could do so safely and securely. The staff federations pointed out that evacuation was not a staff member's choice; it was based on whether it was possible to continue to work or not. Evacuation was a stressful event that involved leaving all possessions behind to avoid risking one's life or the lives of one's family. Evacuated staff and family members were normally housed wherever temporary accommodation in the safe haven could be found. There was no question of evacuees paying for hotel accommodation in the safe haven. Hence, regarding the definition and purpose of the security evacuation allowance, CCISUA, FICSA and UNISERV expressed support for the definition as proposed. With regard to the option put forward for the security evacuation allowance, the staff federations reiterated their request for the payment of full daily subsistence allowance, reduced after 60 days in line with the standard calculations, as outlined in option 2. They stated that this approach would be the easiest to handle, as the normal travel system could easily accommodate evacuation situations and the payments would be transparent and not open to interpretation.

246. CCISUA, FICSA and UNISERV further proposed that consideration be given to partial evacuations, whereby a duty station might be considered non-family for a particular nationality. In all cases where staff did not choose to be evacuated, their reasonable living expenses needed to be met. With regard to the extended monthly security evacuation allowance, the staff federations expressed support for option 1, which would maintain the current methodology for calculating this allowance. The very fact that the current methodology would provide different amounts for individual situations confirmed the need to ensure a customized approach to address the wide spectrum of situations (costs and purchasing power parity). Families in receipt of the extended monthly security evacuation allowance would not know when the situation would change, and as a result could not make decisions for fixed accommodation or other arrangements with long-term implications.

247. The Commission began its deliberation by seeking information regarding evacuation situations and the circumstances surrounding them. The organizations clarified that because evacuations were often precipitated by sudden changes in the working and living conditions at a location, staff members often had to leave without their belongings. Organizations had provisions in place through personal property insurance policies, claims boards and other arrangements to support staff on a case-by-case basis. It was also noted that when staff members were evacuated from a duty station, they continued to receive the salary and allowances applicable to their duty station. In the event of an evacuation to the staff member's

administrative place of assignment[4] (for those organizations still applying the special operations approach during the transition period) where the staff member and his/her family has been installed, the security evacuation allowance was not paid. The security evacuation allowance was intended to cover staff members' expenses while they were displaced.

248. It was also explained that the organizations tried to maximize the use of staff members and often relocated them to countries in the vicinity of their duty station where they continued to work. The organizations further stated that it would be incorrect to assume that an evacuation would always last for six months. While six months was foreseen as the maximum period, most evacuations ended much sooner.

249. The Commission asked questions about eligibility criteria, the basis for travel payments, the choice of locations to which staff members were evacuated, and what occurred when there was an evacuation. The representative from UNISERV stated that the current practice was for staff members who were evacuated to be employed in the mission or duty station to which they were evacuated. For spouses and children it was very difficult, especially if staff members were asked to return to the mission but children could not accompany them. The representative of UNISERV underscored that staff members did not want or look forward to evacuations, especially when they were allowed to stay or return to their duty station, but their family was not.

250. The Human Resources Network stated that there was sufficient clarity among the field-based organizations and the Department of Safety and Security with respect to the security evacuation allowance, as outlined in the Security Management System Security Policy Manual. Under the leadership and guidance of the Department of Safety and Security, all organizations use the same approach when dealing with security evacuations. With respect to travel entitlements, the cost of travel was based on the destination authorized by the Department. Where possible, the staff member could choose to travel either to the authorized destination, or to the country of home leave, or the country of his/her choice. In the event of the latter two options, the travel might be reimbursed up to the cost of the authorized destination or it may be processed under the home leave entitlement. The Human Resources Network stated that regulating travel would not be so simple, because travel standards and entitlements depended on the particular situation. It would be difficult to predict what circumstances would apply for each evacuation since some situations could involve travel by commercial aircraft while in others the organizations would need to charter a plane. In all instances, the priority consideration was to get individuals to a safe haven.

251. The Commission further observed that the expenses incurred were different when families were separated on evacuation. It was noted that the security evacuation allowance was paid at the rate of 100 per cent for the staff member and 50 per cent in respect of each eligible family member. If the staff member was not

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[4] Under the special operations approach applied by some organizations, staff members required to work in non-family duty stations have been assigned to a nearby, safer location with the necessary infrastructure in terms of medical and educational facilities and good communications links where the staff member can establish a home base, known as the administrative place of assignment. This approach will continue to apply during the five-year transitional period, as outlined in annex XIII to the report of the International Civil Service Commission for 2010 (A/65/30).

evacuated, the first eligible family member would receive 100 per cent of the security evacuation allowance.

252. Since the Commission would henceforth regulate the security evacuation allowance, it requested that the criteria, including an overview of the allowance, the definition, eligibility (of the staff member and his/her dependants), the basis for the travel payment, etc. be formalized in an ICSC document to enable the Commission to establish the amount of the allowance and related travel entitlements. The Commission agreed with the definition proposed by the secretariat and concluded that it appropriately described the purpose of the security evacuation allowance and requested its secretariat to prepare a document outlining the provisions of security evacuation allowance, including scope, applicability, eligibility, etc.

253. Having reviewed the above-mentioned elements that affected staff members and their families, the Commission examined different options for setting the amount of the security evacuation allowance, taking into account cost implications. Some members of the Commission indicated that applying an average amount of the daily subsistence allowance to arrive at the amount of the security evacuation allowance would not be equitable given the divergence of costs in different locations. It was argued that it could be administratively feasible to set and periodically update a flat rate for each safe haven instead of applying a global amount.

254. The representative of FICSA, recalling that it applied for regular travel, asked why the daily subsistence allowance could not be applied to evacuation travel, instead of a global amount. In their view, this approach would be cost neutral since the daily subsistence allowance rates, some of which were higher and some are lower than the average, would result in the same cost as would the payment of a global amount derived from averaging of these daily subsistence allowance rates. The Human Resources Network noted that should that payment option be chosen, there would be no need for a security evacuation allowance. Such an approach would be a return to the previous system. In 2001, to streamline evacuation allowances, the organizations moved away from daily subsistence allowance payments and opted instead for a single flat amount that was payable as an advance to staff members.

255. The Network indicated that they would be open to considering the possibility of reverting to daily subsistence allowance payments, although this approach was clearly more complicated and could lead to situations where interested parties might favour one evacuation location over another when choosing a safe haven. If so, this would compromise the integrity of the security quality of the decision, basing the decision on costs. If the daily subsistence allowance option were to be reinstated, there would be no need for further regulation by the Commission, as the daily subsistence allowance scheme already existed and evacuation travel would be regulated as a statutory travel entitlement. Some organizations reiterated their support for maintaining a global amount and expressed hesitation towards moving to location-specific amounts. The organizations moved to a global rate in 2001 to avoid differentiations linked to a safe haven, the home country or a third country. When the global amount was introduced, the organizations wanted simplification of the allowance, but also as a matter of equity as everyone received the same amount.

256. Commission members considered that paying the accommodation portion of the daily subsistence allowance was the most objective solution for the time frame

during which the security evacuation allowance would be payable. This was preferable to paying an average amount since evacuations occurred for a variety of reasons and different safe havens would have different rates. They also were of the view that the duration needed to be reviewed.

257. The Commission benefited from the presence of the Under-Secretary-General for Safety and Security who took part in the discussion on this subject. The Under-Secretary-General stated that he was not aware of any complaints from staff members regarding the security evacuation allowance. Evacuations were very stressful, and were even more so when only the family was evacuated, leaving behind the staff member. In such situations there was a need for a simple approach, such as a global lump sum, which worked well. In stressful, potentially life-threatening situations preceding evacuations, some certainty, predictability and simplicity was needed. He also confirmed that most organizations did not leave staff members on evacuation status for extended periods but rather utilized them in other locations, performing similar or other functions.

258. The representative of UNDP recalled the historical evolution of the global amount of the security evacuation allowance, which in 2001 was $160 for the staff member and $80 for an eligible dependant. In 2009, those amounts were increased to $200 and $100, respectively. An amount lower than the current security evacuation allowance was not considered appropriate.

259. Having examined the various options and taking into account the views of the Human Resources Network and the Under-Secretary-General for Safety and Security to keep the security evacuation allowance as simple as possible, the Commission agreed to maintain the global amount approach, and the amount at current levels. The Human Resources Network noted that the organizations would have preferred an increase of the allowance to $250, in line with changing rates of daily subsistence allowance; however, the key objective for the organization was having a single global amount. The Commission concluded that in the current financial situation, it could not support an increase of 25 per cent.

260. The Commission also deliberated on the duration of the security evacuation allowance. Several members of the Commission considered the maximum duration of six months as too long. It was suggested that the security evacuation allowance, which was reduced by 25 per cent after 30 days, could be further reduced or withdrawn before six months. It was noted that being on evacuation status for six months did not serve anyone's interest. Although it was understandable that some time would be needed for security assessments and decisions to be made, staff members should not be kept in limbo for longer than absolutely necessary. It was recalled that the danger pay allowance was reviewed every three months and that a similar time frame could be considered for reviewing locations on evacuation status. Another suggestion was to pay the security evacuation allowance for 30 days, followed by designating the duty station non-family and paying an additional hardship allowance.

261. The Under-Secretary-General for Safety and Security offered his expert advice on the duration aspect. He explained that in the immediate aftermath of an evacuation, the security experts needed some time to assess the situation. In some situations events changed rapidly and dramatically. The Department of Safety and Security could be responsive and provide early input and advice, but since not all situations were alike, it would not wish to be pressured into making hasty

evaluations. Once a decision was made to evacuate, the Department needed sufficient time to declare family restrictions, which fed into the decision-making process for designating non-family duty stations. The consequences of declaring a duty station non-family too quickly needed to be kept in mind — moving to non-family status was a long-term decision, allowances changed drastically, and the impact of uprooting family members away from the staff member could not be disregarded. The Under-Secretary-General suggested a structured approach, noting that after three months of evacuation the Department could at times be in a position to assess which way the situation was headed, but again cautioned that such decisions could not be rushed. In short, he considered that at the three-month mark, the Department of Safety and Security could be asked to review the situation and advise the Chair of the Commission, and at the six-month point, a definitive decision on the family or non-family status could normally be made.

262. The Human Resources Network cautioned against further scaling down of the security evacuation allowance, noting that when a staff member and/or his or her family was evacuated, it was not with a view of remaining or renting an apartment for a foreseeable future. Rather, the staff member was obliged to stay for the duration of the mandatory evacuation only. The Network recalled paragraph 246 of the Commission's annual report for 2011 (A/66/30), wherein the Commission decided that designation of a duty station as non-family would take place if the Department of Safety and Security decided that for reasons of safety and security all eligible family members were restricted from being present at the duty station for a period of six months or longer.

263. The Commission recalled that the six-month period referenced in the decision regarding the designation of a non-family duty station was intended as a maximum period. The Commission noted that there might be instances when a decision on declaring a duty station non-family could be made sooner or later than six months. Were a situation to arise where such a decision could be taken only after six months, the Commission considered that there was no need for a "filler allowance", such as the extended monthly security evacuation allowance. The Commission recalled that the additional hardship allowance had already been established for the purpose of maintaining the second household and could be applied in situations of prolonged evacuations, should they occur. The Human Resources Network noted that the organizations managed the evacuation process carefully through monitoring and ongoing dialogue with the Department of Safety and Security. It also noted that there were cost implications when non-family duty station status was introduced or revoked, which also caused instability for the family. Instances of staff members on prolonged evacuation were minimal, as illustrated by the very low utilization of the extended monthly security evacuation allowance over the past two years. Staff members would be either redeployed to other locations or assigned to working from home.

264. The Commission concluded that, if it became necessary to apply an extended security evacuation allowance, it should be set at the same amount as that established for the additional hardship allowance in non-family duty stations. This approach would be simple to administer through application of lump sum rather than individual-specific extended monthly security evacuation allowance amounts; it would ensure equitable treatment of staff in similar situations, and it would also lead to efficiencies by having the same review cycle for similar allowances, such as the

mobility and hardship allowance. The Commission therefore decided to review the security evacuation allowance every three years.

Decisions of the Commission

265. The Commission decided:

(a) To approve the definition and purpose of a security evacuation allowance as follows: the purpose of security evacuation allowance is to assist in offsetting direct added expenses of staff members and their eligible family members who are evacuated from their official duty stations;

(b) To establish the amounts for the security evacuation allowance at $200 per day in respect of the staff member and $100 per day in respect of each eligible family member for up to 30 days, and thereafter $150 and $75, respectively, for a maximum period of six months, following which the evacuation is normally either lifted or a duty station is declared as non-family; and a single lump sum shipping element of $500 would apply when the staff member or his/her family is evacuated;

(c) To apply an extended monthly security evacuation allowance set at the same amount as that provided under the additional hardship allowance payable at non-family duty stations when an evacuation continued beyond six months, and the duty station had not been declared as a non-family duty station;

(d) That a duty station could be declared as "non-family" prior to the six-month mark following evacuation, after recalling its decision in paragraph 246 of its annual report for the year 2011 (A/66/30). The Commission decided to specifically have the situation assessed at the three-month mark. At that time, the Under-Secretary-General for Safety and Security would review the situation and advise the Chair of the Commission. At the six-month mark the definitive decision on the family or non-family status would normally need to be made by the Chair of the Commission after consultation with the Department of Safety and Security;

(e) To establish a review cycle for the evacuation allowance and the extended security evacuation allowance every three years at the same time as the review of the amounts for mobility and hardship allowances;

(f) To request its secretariat to prepare a document outlining the guiding principles, scope, applicability, eligibility and related procedures of the security evacuation allowance for the approval by the Commission at its seventy-seventh session.

Annex I

Programme of work of the International Civil Service Commission for 2013-2014

1. Conditions of service of Professional and higher categories
    1. Base/floor salary scale and review of staff assessment rates used in conjunction with gross salaries.
    2. Evolution of the United Nations/United States net remuneration margin.
    3. Report on gender balance in the United Nations common system.
    4. Diversity in the United Nations common system: study of recruitment policies.
    5. Children's and secondary dependants' allowances:
        - (a) Review of the methodology;
        - (b) Review of the level.
    6. Monitoring of the implementation of the Master Standard for Job Evaluation for Professional posts (including the random sampling of jobs).
    7. Review of the rental subsidy scheme.
    8. Methodology for the grade equivalency study.
    9. Mobility: comparative study, best practices.
    10. Advisory Committee on Post Adjustment Questions:
        - (a) Report on the thirty-fifth session/agenda for the thirty-sixth session of the Advisory Committee;
        - (b) Report on the thirty-sixth session/agenda for the thirty-seventh session of the Advisory Committee.
2. Conditions of service of the General Service and other locally recruited staff
    1. General Service salary survey methodologies: salary adjustments at duty stations with fewer than 30 staff and monitoring of the survey experience of Methodology II.
    2. Surveys of best prevailing conditions of employment at:
        - (a) Paris;
        - (b) Montreal;
        - (c) Madrid.
    3. Monitoring of the implementation of the General Service job evaluation standards.
3. Conditions of service applicable to both categories of staff
    1. Review of the common system compensation package.

   2. Education grant:

      (a) Review of the methodology;

      (b) Review of the level.

   3. Exit interview report.

   4. Mandatory age of separation/retirement for existing staff.

   5. Mobility/hardship scheme: categorization of "H" and "A" duty stations.

   6. Contractual arrangements: review of the implementation of the three types of contracts.

4. Conditions of service in the field

   1. Methodology for the adjustment of danger pay for both categories of staff.

   2. Security evacuation allowance: guiding principles.

5. Reporting and monitoring

   1. Resolutions and decisions adopted by the General Assembly relating to the work of the Commission.

   2. Monitoring of implementation of decisions and recommendations of the International Civil Service Commission, the General Assembly and the legislative/governing bodies by organizations of the United Nations common system.

   3. Report of the Working Group on the International Civil Service Commission Framework for Human Resources Management.

Annex II

Revised list of representative schools at the primary and secondary levels

Japan

Seisen International School

United Kingdom of Great Britain and Northern Ireland

Felsted Preparatory School
Royal Russel School
Cranleigh School
Saint Margaret School

United States of America

Washington International School
Thornton Donovan School
Sacred Heart School

Chile

San Cristobal

Lebanon

American Community School

Canada

Lower Canada College

Annex III

Proposed revisions to education grant and boarding cost levels

Table 1

Proposed levels of maximum admissible expenses and education grant

Country/currency area	*Currency*	*Percentage increase*	*Maximum admissible expenses*	*Maximum education grant*
Austria	Euro	3.9	18 240	13 680
Belgium	Euro	3.6	16 014	12 011
Denmark	Danish krone	7.9	122 525	91 894
France	Euro	4.7	11 497	8 623
Germany	Euro	2.9	20 130	15 098
Ireland	Euro	not applicable	17 045	12 784
Italy	Euro	3.7	21 601	16 201
Japan	Yen	not applicable	2 324 131	1 743 098
Netherlands	Euro	3.0	18 037	13 528
Spain	Euro	3.0	17 153	12 864
Sweden	Swedish krona	not applicable	157 950	118 462
Switzerland	Swiss franc	3.2	32 932	24 699
United Kingdom of Great Britain and Northern Ireland	Pound sterling	3.7	25 864	19 398
United States dollar in the United States of America	United States dollar	6.0	45 586	34 190
United States dollar outside the United States of America	United States dollar	3.7	21 428	16 071

Table 2
Proposed ceiling for boarding costs

Country/currency area	*Currency*	*Percentage increase*	*Normal flat rate for boarding*	*Additional flat rate for boarding (at designated duty stations)*
Austria	Euro	2.82	3 882	5 824
Belgium	Euro	3.66	3 647	5 470
Denmark	Danish krone	3.11	28 089	42 134
France	Euro	2.46	3 127	4 691
Germany	Euro	2.40	4 322	6 484
Ireland	Euro	1.13	3 147	4 721
Italy	Euro	2.43	3 223	4 836
Japan	Yen	0.30	609 526	914 290
Netherlands	Euro	3.04	3 993	5 990
Spain	Euro	1.14	3 198	4 797
Sweden	Swedish krona	0.71	26 219	39 328
Switzerland	Swiss franc	not applicable	5 540	8 310
United Kingdom of Great Britain and Northern Ireland	Pound sterling	3.54	3 821	5 731
United States dollar (in the United States of America)	United States dollar	3.00	6 265	9 399
United States dollar (outside the United States of America)	United States dollar	2.06	3 823	5 735

Annex IV

Standards of conduct for the international civil service

Introduction

1. The United Nations and the specialized agencies embody the highest aspirations of the peoples of the world. Their aim is to save succeeding generations from the scourge of war and to enable every man, woman and child to live in dignity and freedom.

2. The international civil service bears responsibility for translating these ideals into reality. It relies on the great traditions of public administration that have grown up in member States: competence, integrity, impartiality, independence and discretion. But over and above this, international civil servants have a special calling: to serve the ideals of peace, respect for fundamental rights, economic and social progress, and international cooperation. It is therefore incumbent on international civil servants to adhere to the highest standards of conduct; for, ultimately, it is the international civil service that will enable the United Nations system to bring about a just and peaceful world.

Guiding principles

3. The values that are enshrined in the United Nations organizations must also be those that guide international civil servants in all their actions: fundamental human rights, social justice, the dignity and worth of the human person and respect for the equal rights of men and women and of nations great and small.

4. International civil servants should share the vision of their organizations. It is loyalty to this vision that ensures the integrity and international outlook of international civil servants; a shared vision guarantees that they will place the interests of their organization above their own and use its resources in a responsible manner.

5. The concept of integrity enshrined in the Charter of the United Nations embraces all aspects of an international civil servant's behaviour, including such qualities as honesty, truthfulness, impartiality and incorruptibility. These qualities are as basic as those of competence and efficiency, also enshrined in the Charter.

6. Tolerance and understanding are basic human values. They are essential for international civil servants, who must respect all persons equally, without any distinction whatsoever. This respect fosters a climate and a working environment sensitive to the needs of all. To achieve this in a multicultural setting calls for a positive affirmation going well beyond passive acceptance.

7. International loyalty means loyalty to the whole United Nations system and not only to the organization for which one works; international civil servants have an obligation to understand and exemplify this wider loyalty. The need for a cooperative and understanding attitude towards international civil servants of other United Nations organizations is obviously most important where international civil servants of several organizations are serving in the same country or region.

8. If the impartiality of the international civil service is to be maintained, international civil servants must remain independent of any authority outside their organization; their conduct must reflect that independence. In keeping with their

oath of office, they should not seek nor should they accept instructions from any Government, person or entity external to the organization. It cannot be too strongly stressed that international civil servants are not, in any sense, representatives of Governments or other entities, nor are they proponents of their policies. This applies equally to those on secondment from Governments and to those whose services have been made available from elsewhere. International civil servants should be constantly aware that, through their allegiance to the Charter and the corresponding instruments of each organization, member States and their representatives are committed to respect their independent status.

9. Impartiality implies tolerance and restraint, particularly in dealing with political or religious convictions. While their personal views remain inviolate, international civil servants do not have the freedom of private persons to take sides or to express their convictions publicly on controversial matters, either individually or as members of a group, irrespective of the medium used. This can mean that, in certain situations, personal views should be expressed only with tact and discretion.

10. This does not mean that international civil servants have to give up their personal political views or national perspectives. It does mean, however, that they must at all times maintain a broad international outlook and an understanding of the international community as a whole.

11. The independence of the international civil service does not conflict with, or obscure, the fact that it is the member States that collectively make up — in some cases with other constituents — the organization. Conduct that furthers good relations with individual member States and that contributes to their trust and confidence in the organizations' secretariat strengthens the organizations and promotes their interest.

12. International civil servants who are responsible for projects in particular countries or regions may be called upon to exercise special care in maintaining their independence. At times they might receive instructions from the host country but this should not compromise their independence. If at any time they consider that such instructions threaten their independence, they must consult their supervisors.

13. International civil servants at all levels are accountable and answerable for all actions carried out, as well as decisions taken, and commitments made by them in performing their functions.

14. An international outlook stems from an understanding of and loyalty to the objectives and purposes of the organizations of the United Nations system as set forth in their legal instruments. It implies, inter alia, respect for the right of others to hold different points of view and follow different cultural practices. It requires a willingness to work without bias with persons of all nationalities, religions and cultures; it calls for constant sensitivity as to how words and actions may look to others. It requires avoidance of any expressions that could be interpreted as biased or intolerant. As working methods can be different in different cultures, international civil servants should not be wedded to the attitudes, working methods or work habits of their own country or region.

15. Freedom from discrimination is a basic human right. International civil servants are expected to respect the dignity, worth and equality of all people without any distinction whatsoever. Assumptions based on stereotypes must be assiduously

avoided. One of the main tenets of the Charter is the equality of men and women, and organizations should therefore do their utmost to promote gender equality.

Working relations

16. Managers and supervisors are in positions of leadership and it is their responsibility to ensure a harmonious workplace based on mutual respect; they should be open to all views and opinions and make sure that the merits of staff are properly recognized. They need to provide support to them; this is particularly important when staff are subject to criticism arising from the performance of their duties. Managers are also responsible for guiding and motivating their staff and promoting their development.

17. Managers and supervisors serve as role models and they have therefore a special obligation to uphold the highest standards of conduct. It is quite improper for them to solicit favours, gifts or loans from their staff; they must act impartially, without favouritism and intimidation. In matters relating to the appointment or career of others, international civil servants should not try to influence colleagues for personal reasons.

18. Managers and supervisors should communicate effectively with their staff and share relevant information with them. International civil servants have a reciprocal responsibility to provide all pertinent facts and information to their supervisors and to abide by and defend any decisions taken, even when those do not accord with their personal views.

19. International civil servants must follow the instructions they receive in connection with their official functions and, if they have doubts as to whether an instruction is consistent with the Charter or any other constitutional instrument, decisions of the governing bodies or administrative rules and regulations, they should first consult their supervisors. If the international civil servant and supervisor cannot agree, the international civil servant may ask for written instructions. These may be challenged through the proper institutional mechanisms, but any challenge should not delay carrying out the instruction. International civil servants may also record their views in official files. They should not follow verbal or written instructions that are manifestly inconsistent with their official functions or that threaten their safety or that of others.

20. International civil servants have the duty to report any breach of the organization's regulations and rules to the official or entity within their organizations whose responsibility it is to take appropriate action, and to cooperate with duly authorized audits and investigations. An international civil servant who reports such a breach in good faith or who cooperates with an audit or investigation has the right to be protected against retaliation for doing so.

Harassment and abuse of authority

21. Harassment in any shape or form is an affront to human dignity and international civil servants must not engage in any form of harassment. International civil servants have the right to a workplace environment free of harassment or abuse. All organizations must prohibit any kind of harassment. Organizations have a duty to establish rules and provide guidance on what constitutes harassment and abuse of authority and how unacceptable behaviour will be addressed.

22. International civil servants must not abuse their authority or use their power or position in a manner that is offensive, humiliating, embarrassing or intimidating to another person.

Conflict of interest

23. Conflicts of interest may occur when an international civil servant's personal interests interfere with the performance of his/her official duties or call into question the qualities of integrity, independence and impartiality required the status of an international civil servant. Conflicts of interest include circumstances in which international civil servants, directly or indirectly, may benefit improperly, or allow a third party to benefit improperly, from their association with their organization. Conflicts of interest can arise from an international civil servant's personal or familial dealings with third parties, individuals, beneficiaries, or other institutions. If a conflict of interest or possible conflict of interest does arise, the conflict shall be disclosed, addressed and resolved in the best interest of the organization. Questions entailing a conflict of interest can be very sensitive and need to be treated with care.

Disclosure of information

24. International civil servants should avoid assisting third parties in their dealings with their organization where this might lead to actual or perceived preferential treatment. This is particularly important in procurement matters or when negotiating prospective employment. At times, international civil servants may, owing to their position or functions in accordance with the organization's policies, be required to disclose certain personal assets if this is necessary to enable their organizations to make sure that there is no conflict. The organizations must ensure confidentiality of any information so disclosed, and must use it only for defined purposes or as authorized by the international civil servant concerned. International civil servants should also disclose in advance possible conflicts of interest that may arise in the course of carrying out their duties and seek advice on mitigation and remediation. They should perform their official duties and conduct their personal affairs in a manner that preserves and enhances public confidence in their own integrity and that of their organization.

Use of the resources of United Nations organizations

25. International civil servants are responsible for safeguarding the resources of United Nations organizations which are to be used for the purpose of delivering an organization's mandate and to advance the best interests of the organization. International civil servants shall use the assets, property, information and other resources of their organizations for authorized purposes only and with care. Limited personal use of the resources of an organization, such as electronic and communications resources, may be permitted by the organization in accordance with applicable policies.

Post-employment restrictions

26. After leaving service with organizations of the United Nations system, international civil servants should not take improper advantage of their former official functions and positions, including through unauthorized use or distribution of privileged or confidential information; nor should international civil servants,

including those working in procurement services and as requisitioning officers, attempt to unduly influence the decisions of the organization in the interest or at the request of third parties with a view to seeking an opportunity to be employed by such third parties.

Role of the secretariats (headquarters and field duty stations)

27. The main function of all secretariats is to assist legislative bodies in their work and to carry out their decisions. The executive heads are responsible for directing and controlling the work of the secretariats. Accordingly, when submitting proposals or advocating positions before a legislative body or committee, international civil servants are presenting the position of the executive head, not that of an individual or organizational unit.

28. In providing services to a legislative or representative body, international civil servants should serve only the interests of the organization, not that of an individual or organizational unit. It would not be appropriate for international civil servants to prepare for Government or other international civil service representatives any speeches, arguments or proposals on questions under discussion without approval of the executive head. It could, however, be quite appropriate to provide factual information, technical advice or assistance with such tasks as the preparation of draft resolutions.

29. It is entirely improper for international civil servants to lobby or seek support from Government representatives or members of legislative organs to obtain advancement either for themselves or for others or to block or reverse unfavourable decisions regarding their status. By adhering to the Charter and the constitutions of the organizations of the United Nations system, Governments have undertaken to safeguard the independence of the international civil service; it is therefore understood that Government representatives and members of legislative bodies will neither accede to such requests nor intervene in such matters. The proper method for an international civil servant to address such matters is through administrative channels; each organization is responsible for providing these.

Staff-management relations

30. An enabling environment is essential for constructive staff-management relations and serves the interests of the organizations. Relations between management and staff should be guided by mutual respect. Elected staff representatives have a cardinal role to play in the consideration of conditions of employment and work, as well as in matters of staff welfare. Freedom of association is a fundamental human right and international civil servants have the right to form and join associations, unions or other groupings to promote and defend their interests. Continuing dialogue between staff and management is indispensable. Management should facilitate this dialogue.

31. Elected staff representatives enjoy rights that derive from their status; this may include the opportunity to address the legislative organs of their organization. These rights should be exercised in a manner that is consistent with the Charter of the United Nations, the Universal Declaration of Human Rights and the international covenants on human rights, and does not undermine the independence and integrity of the international civil service. In using the broad freedom of expression they

enjoy, staff representatives must exercise a sense of responsibility and avoid undue criticism of the organization.

32. Staff representatives must be protected against discriminatory or prejudicial treatment based on their status or activities as staff representatives, both during their term of office and after it has ended. Organizations should avoid unwarranted interference in the administration of their staff unions or associations.

Relations with member States and legislative bodies

33. It is the clear duty of all international civil servants to maintain the best possible relations with Governments and avoid any action that might impair this. They should not interfere in the policies or affairs of Governments. It is unacceptable for them, either individually or collectively, to criticize or try to discredit a Government. At the same time, it is understood that international civil servants may speak freely in support of their organizations' policies. Any activity, direct or indirect, to undermine or overthrow a Government constitutes serious misconduct.

34. International civil servants are not representatives of their countries, nor do they have authority to act as liaison agents between organizations of the United Nations system and their Governments. The executive head may, however, request an international civil servant to undertake such duties, a unique role for which international loyalty and integrity are essential. For their part, neither Governments nor organizations should place international civil servants in a position where their international and national loyalties may conflict.

Relations with the public

35. For an organization of the United Nations system to function successfully, it must have the support of the public. All international civil servants therefore have a continuing responsibility to promote a better understanding of the objectives and work of their organizations. This requires them to be well informed of the achievements of their own organizations and to familiarize themselves with the work of the United Nations system as a whole.

36. There is a risk that on occasion international civil servants may be subject to criticism from outside their organizations; in keeping with their responsibility as international civil servants, they should respond with tact and restraint. It is the obligation of their organizations to defend them against criticism for actions taken in fulfilment of their duties.

37. It would not be proper for international civil servants to air personal grievances or criticize their organizations in public. International civil servants should endeavour at all times to promote a positive image of the international civil service, in conformity with their oath of loyalty.

Relations with the media

38. Openness and transparency in relations with the media are effective means of communicating the organizations' messages. The organizations should have guidelines and procedures in place for which the following principles should apply: international civil servants should regard themselves as speaking in the name of their organizations and avoid personal references and views; in no circumstances

should they use the media to further their own interests, to air their own grievances, to reveal unauthorized information or attempt to influence their organizations' policy decisions.

Use and protection of information

39. Because disclosure of confidential information may seriously jeopardize the efficiency and credibility of an organization, international civil servants are responsible for exercising discretion in all matters of official business. They must not divulge confidential information without authorization. International civil servants should not use information to personal advantage that has not been made public and is known to them by virtue of their official position. These obligations do not cease upon separation from service. Organizations must maintain guidelines for the use and protection of confidential information, and it is equally necessary for such guidelines to keep pace with developments in communications and other new technology. It is understood that these provisions do not affect established practices governing the exchange of information between the secretariats and member States, which ensure the fullest participation of member States in the life and work of the organizations.

Respect for different customs and culture

40. The world is home to a myriad of different peoples, languages, cultures, customs and traditions. A genuine respect for them all is a fundamental requirement for an international civil servant. Any behaviour that is not acceptable in a particular cultural context must be avoided. However, if a tradition is directly contrary to any human rights instrument adopted by the United Nations system, the international civil servant must be guided by the latter. International civil servants should avoid an ostentatious lifestyle and any display of an inflated sense of personal importance.

Security and safety

41. While an executive head assigns staff in accordance with the exigencies of the service, it is the responsibility of organizations to ensure that the health, well-being, security and lives of their staff, without any discrimination whatsoever, will not be subject to undue risk. The organizations should take measures to protect the safety of their staff and that of their family members. At the same time, it is incumbent on international civil servants to comply with all instructions designed to protect their safety.

Personal conduct

42. The private life of international civil servants is their own concern and organizations should not intrude upon it. There may be situations, however, in which the behaviour of an international civil servant may reflect on the organization. International civil servants must therefore bear in mind that their conduct and activities outside the workplace, even if unrelated to official duties, can compromise the image and the interests of the organizations. This can also result from the conduct of members of international civil servants' households, and it is the responsibility of international civil servants to make sure that their households are fully aware of this.

43. The privileges and immunities that international civil servants enjoy are conferred upon them solely in the interests of the organizations. They do not exempt international civil servants from observing local laws, nor do they provide an excuse for ignoring private legal or financial obligations. It should be remembered that only the executive head is competent to waive the immunity accorded to international civil servants or to determine its scope.

44. Violations of the law can range from serious criminal activities to trivial offences, and organizations may be called upon to exercise judgement depending on the nature and circumstances of individual cases. A conviction by a national court will usually, although not always, be persuasive evidence of the act for which an international civil servant was prosecuted; acts that are generally recognized as offences by national criminal laws will normally also be considered violations of the standards of conduct for the international civil service.

Outside employment and activities

45. The primary obligation of international civil servants is to devote their energies to the work of their organizations. Therefore, international civil servants should not engage, without prior authorization, in any outside activity, whether remunerated or not, that interferes with that obligation or is incompatible with their status or conflicts with the interests of the organization. Any questions about this should be referred to the executive head.

46. Subject to the above, outside activities may, of course, be beneficial both to staff members and to their organizations. Organizations should allow, encourage and facilitate the participation of international civil servants in professional activities that foster contacts with private and public bodies and thus serve to maintain and enhance their professional and technical competencies.

47. International civil servants on leave, either with or without pay, should bear in mind that they remain international civil servants in the employ of their organization and remain subject to its rules. They may, therefore, accept employment, paid or unpaid, during their leave only with proper authorization.

48. In view of the independence and impartiality that they must maintain, international civil servants, while retaining the right to vote, should not participate in political activities, such as standing for or holding local or national political office. This does not, however, preclude participation in local community or civic activities, provided that such participation is consistent with the oath of service in the United Nations system. It is necessary for international civil servants to exercise discretion in their support for a political party or campaign, and they should not accept or solicit funds, write articles or make public speeches or statements to the press. These cases require the exercise of judgement and, in case of doubt, should be referred to the executive head.

49. The significance of membership in a political party varies from country to country and it is difficult to formulate standards that will apply in all cases. In general, international civil servants may be members of a political party, provided its prevailing views and the obligations imposed on its members are consistent with the oath of service in the United Nations system.

Gifts, honours and remuneration from outside sources

50. To protect the international civil service from any appearance of impropriety, international civil servants must not accept, without authorization from the executive head, any honour, decoration, gift, remuneration, favour or economic benefit of more than nominal value from any source external to their organizations; it is understood that this includes Governments as well as commercial firms and other entities.

51. International civil servants should not accept supplementary payments or other subsidies from a Government or any other source prior to, during or after their assignment with an organization of the United Nations system if the payment is related to that assignment. Balancing this requirement, it is understood that Governments or other entities, recognizing that they are at variance with the spirit of the Charter and the constitutions of the organizations of the United Nations system, should not make or offer such payments.

Conclusion

52. The attainment of the standards of conduct for the international civil service requires the highest commitment of all parties. International civil servants must be committed to the values, principles and standards set forth herein. They are expected to uphold them in a positive and active manner. They should feel responsible for contributing to the broad ideals to which they dedicated themselves in joining the United Nations system. Organizations have the obligation to implement these standards through their policy framework, including rules, regulations and other administrative instruments. For their part, member States are expected, through their allegiance to the Charter and other constituent instruments, to preserve the independence and impartiality of the international civil service.

53. For these standards to be effectively applied, it is essential that they be widely disseminated and that measures be taken and mechanisms put in place to ensure that their scope and importance are understood throughout the international civil service, the member States and the organizations of the United Nations system.

54. Respect for these standards assures that the international civil service will continue to be an effective instrument in fulfilling its responsibilities and in meeting the aspirations of the peoples of the world.

Annex V

Salary scale for the Professional and higher categories showing annual gross salaries and net equivalents after application of staff assessment

(United States dollars)

Effective 1 January 2013

Level		*I*	*II*	*III*	*IV*	*V*	*VI*	*VII*	*VIII*	*IX*	*X*	*XI*	*XII*	*XIII*	*XIV*	*XV*
USG	**Gross**	**189 599**														
	Net D	146 219														
	Net S	131 590														
ASG	**Gross**	**172 301**														
	Net D	134 111														
	Net S	121 443														
D-2	**Gross**	**141 412**	**144 411**	**147 412**	**150 430**	**153 559**	**156 687**									
	Net D	112 231	114 420	116 611	118 801	120 991	123 181									
	Net S	103 105	104 953	106 794	108 630	110 461	112 282									
D-1	**Gross**	**129 216**	**131 851**	**134 479**	**137 115**	**139 751**	**142 382**	**145 019**	**147 651**	**150 296**						
	Net D	103 328	105 251	107 170	109 094	111 018	112 939	114 864	116 785	118 707						
	Net S	95 508	97 178	98 846	100 508	102 169	103 826	105 475	107 124	108 768						
P-5	**Gross**	**106 860**	**109 100**	**111 342**	**113 581**	**115 823**	**118 062**	**120 305**	**122 545**	**124 786**	**127 027**	**129 268**	**131 508**	**133 751**		
	Net D	87 008	88 643	90 280	91 914	93 551	95 185	96 823	98 458	100 094	101 730	103 366	105 001	106 638		
	Net S	80 831	82 285	83 733	85 181	86 628	88 069	89 509	90 947	92 383	93 815	95 246	96 672	98 099		
P-4	**Gross**	**88 043**	**90 042**	**92 039**	**94 037**	**96 037**	**98 032**	**100 034**	**102 196**	**104 359**	**106 519**	**108 685**	**110 844**	**113 007**	**115 171**	**117 333**
	Net D	72 554	74 133	75 711	77 289	78 869	80 445	82 025	83 603	85 182	86 759	88 340	89 916	91 495	93 075	94 653
	Net S	67 564	69 001	70 438	71 870	73 303	74 735	76 165	77 593	79 019	80 445	81 868	83 291	84 714	86 133	87 552
P-3	**Gross**	**72 358**	**74 208**	**76 058**	**77 905**	**79 757**	**81 605**	**83 453**	**85 305**	**87 154**	**89 004**	**90 856**	**92 701**	**94 554**	**96 403**	**98 251**
	Net D	60 163	61 624	63 086	64 545	66 008	67 468	68 928	70 391	71 852	73 313	74 776	76 234	77 698	79 158	80 618
	Net S	56 158	57 502	58 848	60 190	61 536	62 878	64 220	65 567	66 908	68 252	69 591	70 932	72 269	73 609	74 949
P-2	**Gross**	**59 343**	**60 997**	**62 651**	**64 306**	**65 961**	**67 614**	**69 270**	**70 922**	**72 576**	**74 233**	**75 885**	**77 541**			
	Net D	49 881	51 188	52 494	53 802	55 109	56 415	57 723	59 028	60 335	61 644	62 949	64 257			
	Net S	46 786	47 972	49 155	50 339	51 523	52 708	53 912	55 112	56 319	57 521	58 720	59 926			
P-1	**Gross**	**46 454**	**47 935**	**49 407**	**50 957**	**52 543**	**54 133**	**55 724**	**57 316**	**58 901**	**60 492**					
	Net D	39 486	40 745	41 996	43 256	44 509	45 765	47 022	48 280	49 532	50 789					
	Net S	37 247	38 405	39 563	40 720	41 877	43 034	44 191	45 334	46 472	47 610					

Annex VI

Comparison of average net remuneration of United Nations officials in the Professional and higher categories in New York and United States officials in Washington, D.C., by equivalent grades (margin for calendar year 2012)

Grade	*Net remuneration (United States dollars)*		*United Nations/ United States ratio adjusted for cost-of-living differential*[c]	*Weights for calculation of overall ratio*[d]
	United Nations[a,b]	*United States*		
P-1	75 262	52 183	129.2	0.2
P-2	92 901	66 210	125.7	7.6
P-3	114 202	85 599	119.5	27.2
P-4	136 351	104 704	116.7	33.3
P-5	159 021	123 153	115.7	22.5
D-1	180 751	142 934	113.4	6.9
D-2	195 307	152 536	114.7	2.3
Overall weighted average ratio, adjusted for cost-of-living differential			117.7	

[a] Average United Nations net salaries at dependency level by grade, reflecting seven months at multiplier 65.5 and five months at a projected multiplier 68.0 on the basis of the salary scale in effect from 1 January 2012.

[b] For the calculation of the average United Nations salaries, personnel statistics of the United Nations System Chief Executives Board for Coordination as at 31 December 2011 were used.

[c] The updated New York/Washington, D.C., cost-of-living differential of 111.6 was used in the calculation.

[d] These weights correspond to the United Nations common system staff in grades P-1 to D-2, inclusive, serving at Headquarters and established offices as at 31 December 2011.

Annex VII

Proposed agenda for the thirty-fifth session of the Advisory Committee on Post Adjustment Questions

1. Methodological issues pertaining to the next round of cost-of-living surveys:

   (a) A review of the specification of the out-of-area weight to be used for post adjustment index calculations for all duty stations;

   (b) A review of the classification of household expenditures, including Internet purchases, as in-area or out-of area;

   (c) Procedures for assuring the quality of data collected from staff expenditures surveys;

   (d) An examination of the rationale for the inclusion of the pension contribution component in the post adjustment index structure;

   (e) A progress report on the feasibility of incorporating geographical areas outside Geneva, in establishing the post adjustment classification of Geneva.

2. Revision of the list of countries, and their corresponding weights, that are used in the estimation of the out-of-area index, on the basis of the results of an out-of-area survey.

3. Other business.

Annex VIII

Overview of mobility policies within organizations of the United Nations common system

A. Mobility policy and organization size and type

1. As shown in table 1, there are some organizations with long-standing staff mobility schemes in place, while others have not developed any formal written mobility policy. Mobility requirements vary considerably from one organization to another, depending on their mandates and the nature of their programmes and activities. In fact, four main categories of organizations can be identified as follows:

(a) The United Nations, while headquartered in New York, maintains a significant presence in Addis Ababa, Bangkok, Beirut, Geneva, Nairobi, Santiago and Vienna, and has offices all over the world; it currently has 15 peace operations, deployed on four continents. About 40 per cent of staff in the United Nations common system work for the United Nations;

(b) The field-oriented funds and programmes of the United Nations: the United Nations Development Programme (UNDP), the Office of the United Nations High Commissioner for Refugees (UNHCR), the United Nations Children's Fund (UNICEF), the World Food Programme (WFP), the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), the United Nations Population Fund (UNFPA), the United Nations Office for Project Services (UNOPS) and the Joint United Nations Programme on HIV/AIDS (UNAIDS);

(c) The specialized agencies with a number of field offices outside Headquarters: the Food and Agriculture Organization of the United Nations (FAO), the International Fund for Agricultural Development (IFAD), the International Labour Organization (ILO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the World Health Organization (WHO) and the United Nations Industrial Development Organization (UNIDO);

(d) The smaller agencies whose activities are more concentrated and which have no or a limited number of field offices: the International Civil Aviation Organization (ICAO), the International Trade Centre (ITC), the World Meteorological Organization (WMO), the International Maritime Organization (IMO), the International Telecommunication Union (ITU), the Universal Postal Union (UPU), the World Intellectual Property Organization (WIPO), the International Atomic Energy Agency (IAEA) and the World Tourism Organization (UNWTO).

Table 1
Information on the existence of a mobility policy in organizations

Organization	*Field-based (Yes/no)*	*Formal/ written mobility policy (Yes/no)*	*Category based on nature, mandate and size*
United Nations	Yes	No	United Nations, the largest organization of the common system
UNAIDS	Yes	Yes	United Nations funds and programmes
UNDP	Yes	No*	
UNFPA	Yes	Yes	
UNOPS	Yes	Yes	
UNHCR	Yes	Yes	
UNICEF	Yes	No*	
UNRWA	Yes	No	
WFP	Yes	Yes	
FAO	Yes	No	Specialized agencies with a field presence
IFAD	Yes	Yes	
ILO	Yes	Yes	
PAHO	Yes	No	
UNESCO	Yes	Yes	
UNIDO	Yes	Yes	
WHO	Yes	No	
IAEA	No	No	Headquarters-based smaller agencies
ICAO	No	No	
IMO	No	No	
ITC	No	No	
ITU	No	(No data provided)	
UNWTO	No	No	
UPU	No	No	
WIPO	No	No	
WMO	No	No	

* UNDP and UNICEF have a culture of mobility and an unwritten policy, but do not have a formal one in writing. UNDP is currently elaborating such a formal policy in writing.

2. Figures I and II illustrate the existence of a mobility policy and the size of the organizations (headquarters and field presence), using the staff population with assignments of one year or more. The level of the field presence of the United Nations and its headquarters population are significantly larger than those of the other organizations.[5] UNICEF, UNDP, UNHCR, WHO, WFP, ILO, FAO and UNFPA also have relatively larger field presences than the other organizations.

Figure I
Size of organization (headquarters and field presence): all staff

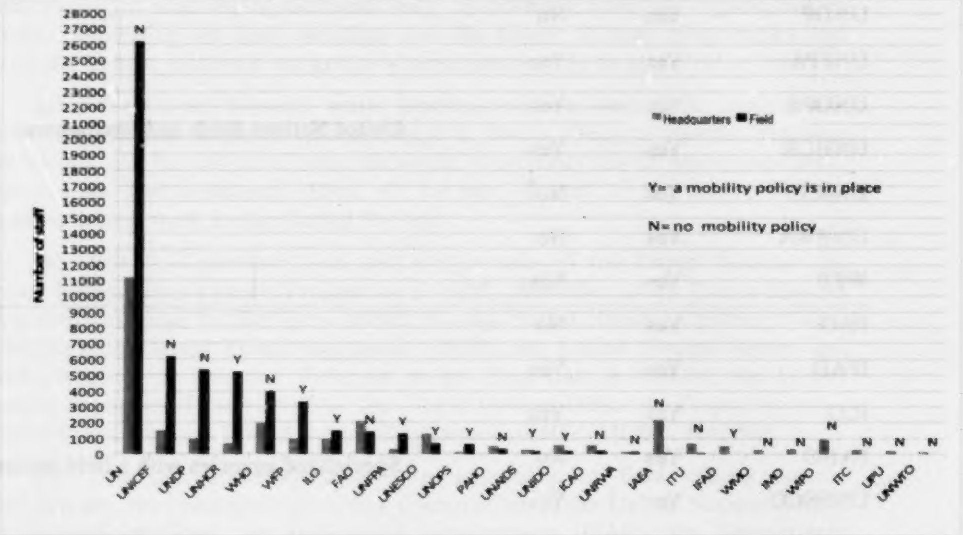
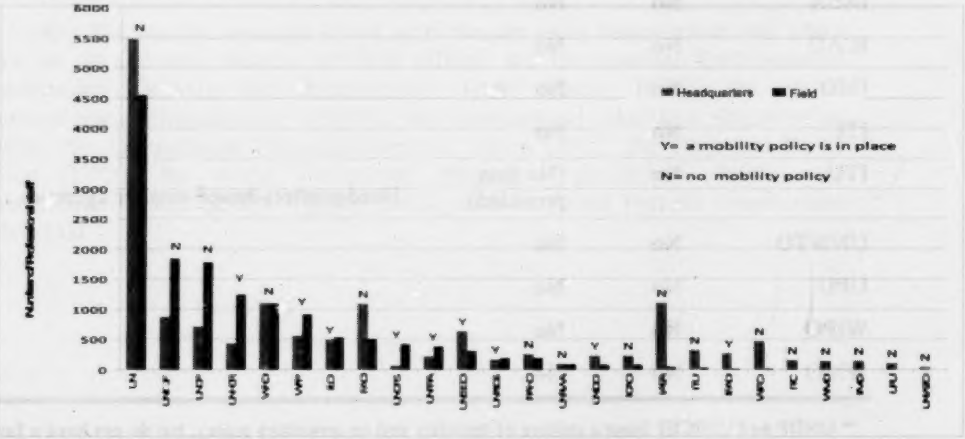


Figure II
Size of organization (headquarters and field presence): Professional staff



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[5] Using data from the personnel statistics database of the United Nations System Chief Executives Board for Coordination as at 31 December 2010.

3. Table 2 provides numerical information on workforce movements within organizations of the common system, using data compiled by the Joint Inspection Unit for 2009 (A/66/355, annex I).

Table 2
Intra-agency mobility in 2009 (Professional staff)

Organization[a]	*Headquarters out*[b]	*Headquarters in*[c]	*From field to field*[d]	*Total number of staff moved*	*Percentage of staff moved*
United Nations	113	180	240	533	5.3
UNDP[e]	–	–	–	277	11.2
UNFPA	30	11	64	105	17.5
UNHCR	64	102	327	493	29.5
UNICEF	43	43	294	380	14.0
UNRWA	3	2	3	8	4.6
ILO	22	29	40	91	8.9
FAO	16	7	26	49	3.1
WFP	59	54	224	337	23.0
UNESCO	15	9	24	48	5.1
WHO	410	49	–	459	21.0
ICAO	–	1	2	3	1.0
UPU	–	–	–	–	0.0
ITU	1	–	–	1	0.3
WIPO	–	–	–	–	0.0
WMO	1	–	–	1	0.7
UNIDO	3	3	1	7	2.3
UNWTO	–	–	–	–	–

[a] Organizations that have a mobility policy are shown in bold.

[b] Headquarters out: Professional staff moved from headquarters to non-headquarters (including the field) within the organization.

[c] Headquarters in: Professional staff moved from non-headquarters (including field) to headquarters within the organization.

[d] From field to field: movement of staff between field locations within the organization.

[e] No data available for UNDP for 2009. For analytical purposes, data for 2011 is used. No disaggregated figures are available.

4. Table 2 shows that United Nations funds and programmes, such as UNHCR, WFP, UNFPA, UNICEF and UNDP, are highly mobile entities, while specialized agencies, such as UPU, UNWTO, WMO and WIPO, are examples of organizations with low mobility requirements.

5. Organizations such as ILO, WHO, UNESCO and FAO, that have a broad geographical coverage in the field, fall between these two extremes. Like this group, the United Nations Secretariat, despite its 15 peace operations, has a relatively low level of mobility within the Organization.

6. Since the organizations of the United Nations common system are diverse in terms of their mandates, size, operational needs and activities, their mobility

requirements vary widely. There are highly mobile entities and there are those for which staff mobility is not a major concern. Given these variations, it is evident that there is no one-approach-fits-all solution with regard to intra-agency mobility in the organizations of the common system.

B. Mobility practices in some organizations

7. Some field-based organizations, such as the United Nations, UNDP and UNICEF, while they have no formal written mobility policy in place, do have practices to encourage both geographical and functional mobility of their workforce.

8. In the United Nations, where mobility is voluntary and initiated by individual staff members, promotion policies provide for incentives to mobility. Under the current staff selection system, staff are required to have two prior lateral moves to be eligible for promotion to the P-5 level. The requirement for two lateral moves is reduced to one lateral move when a staff member has served at an A, B, C, D or E category duty station for one year or longer and waived entirely for staff who have served at a non-family duty station for at least one year. The United Nations is currently in the process of developing a mobility policy which is to be submitted to the General Assembly at its sixty-seventh session.

9. UNDP has maintained a culture and practice of mobility, in particular for its programme management posts that are subject to rotation. Its policy on reassignment and rotation, which provided the basis for managing mobility, is no longer in use as a regulatory framework. However, given that UNDP is a field-based organization with a mobile workforce, there are elements of the old policy that have become the norm. Under the current practice, rotation and reassignment involve the organized and systematic relocation of staff members from one duty station to another or from one position to another. They are applicable to staff members in the international Professional category and above who have fixed-term and permanent appointments under the United Nations Staff Regulations and Rules. Such movements are voluntary in that staff members compete for vacant posts in line with their tours of duty, which are determined by the hardship classification of duty stations as established by the Commission. The current practice is to be superseded by a new comprehensive mobility framework, which is under development for implementation by 2013.

10. UNICEF is another organization that does not have a formal written mobility policy in place, but has a practice of voluntary mobility by which staff members apply for vacant posts in line with their tours of duty. In addition, UNICEF has a practice by which staff at the D-1 level and above and all UNICEF representatives are rotated through an annual exercise. UNICEF is also currently developing a mobility policy in order to move more staff members to hardship, non-family and emergency duty stations, as well as to balance staff members' job experiences among different types of duty stations and work situations in the interest of the organization's performance and effective programme delivery.

11. UNRWA introduced a managed reassignment policy in April 2009 to ensure that core staff members maintain and enhance their skills and versatility by periodically moving to new assignments within the Agency (involving a change in duties and/or location after a normal maximum period of 5 years). In UNRWA, managed reassignments are applicable to staff only in generic positions as opposed to specialist positions.

12. WHO strongly favours lateral moves, and some regions have systematic schemes for mobility between duty stations and rotation at the same duty station for locally recruited staff. At the global level, it has established, or is in the process of establishing, a number of rosters for posts, such as heads of WHO country offices, administrative officers and epidemiologists, in order to facilitate the movement of staff within the organization.

C. Reason for implementing a mobility policy

13. Since many organizations of the common system have to operate in some of the most difficult locations in the world, as well as in some more attractive ones, the development of mobility policies is by no means simple. Staff members have to operate in many different capacities, with differing objectives and in varying circumstances. In the increasingly dynamic world in which the common system operates, it is vital that organizations have staff with wide experience who can be deployed and redeployed to meet operational requirements. Mobility within organizations is also a means for developing and managing knowledge/talent that is crucial to the effectiveness of the organization in terms of performance and programme delivery.

14. Thus, mobility policies should not place emphasis on the movement of staff as simply a requirement to be complied with, because then mobility would become an end in itself. Instead, organizations should clearly identify the reasons for their policy on mobility, which should serve the purpose of improving organizational efficiency through a well-thought-out career development strategy.

15. Table 3 provides a compilation of the reasons given by organizations for implementing a mobility policy, based on the responses received from those organizations that have already implemented such a formal written policy. In a nutshell, the main focus areas of their mobility policies are: meeting organizational goals; increasing the effectiveness of the organization; enhancing programme delivery and promoting effective management of human capital; staff development; staff well-being; and career progression. There are, of course, differences between organizations based on their operational and programme delivery needs.

Table 3
Reasons for implementing a mobility policy

Organization	*Reasons for implementing a mobility policy*
UNFPA	As a global field-based international development organization, it is important for UNFPA to prepare staff by creating the expectation that they will serve in different duty stations over the course of their careers. It is in the strategic and programmatic interest of UNFPA for staff members at headquarters to have field experience and for managers in country offices to gain experience at headquarters and in other geographic regions. Rotation also brings about an enhanced sense of organizational identity and team spirit that reinforces commitment to the UNFPA mandate. In addition, rotation provides staff with opportunities that contribute to their professional development and career progression.

Organization	*Reasons for implementing a mobility policy*
UNOPS	To ensure that staff members have diverse work experience, breadth of knowledge and understanding of the complex and challenging work environments in the field. Mobility should ensure a balance of experience and service across different categories of duty stations.
UNHCR	Mobility between duty stations through the mandatory rotation framework enables UNHCR to better meet its organizational goals and objectives by rapidly and effectively deploying skilled staff with invaluable experience and expertise to its operations worldwide.
ILO	In order to serve its constituents effectively with high quality services, ILO needs a body of staff with wide experience and knowledge of its work in different parts of the world.
WFP	To ensure that WFP is able to effectively and efficiently fulfil its mandate, which calls for the presence of staff in various geographical locations and in diverse functions worldwide, often on short notice. The duration of the assignment, which varies depending on operational requirements, is always defined. WFP operates in an increasing number of hardship/non-family duty stations, and in order to retain a mobile workforce, decisions regarding reassignment must balance the Programme's operational requirements with the organizational imperative to secure reasonable assignments and an equitable sharing of difficult work assignments between eligible staff members.
UNESCO	For 2012-2013 the aim of the mobility programme is to ensure the proper redeployment of staff within the African region.
IFAD	In order to better manage its human resources by developing individual and organizational skills, by acquiring new knowledge and by comparing business practices.
UNIDO	To strengthen the organization's field network so as to bring its services closer to its clients and strategic partners in developing countries and countries with economies in transition. Specifically, this further reinforces the organization's ability to respond to emerging needs in a timely and effective manner and promotes better understanding and teamwork throughout the organization.
UNAIDS	To ensure that the UNAIDS workforce is fit for its purpose through the timely placement of qualified staff in positions around the world via an assessment based on functional requirements, qualifications, experience and performance. Mobility also affords the opportunity to individual staff for professional development and career growth.

D. Characteristics of existing mobility policies in some organizations

16. Table 4 presents information collected from organizations on the main characteristics of their mobility policies.

17. It is observed that geographical mobility is common to all organizations listed in table 4, and that some organizations also included functional mobility.

Internationally recruited Professional staff members have been the main focus in the scope of mobility policies of the organizations. In IFAD, for example, other categories of staff are also covered under its mobility policy through rotation at the duty station to other positions (i.e., functional mobility). The types of duty stations and posts subject to mobility vary based on organizational needs.

18. The mandatory mobility policies in UNHCR, WFP, IFAD and UNIDO are actually operated based on voluntary applications from staff. Further, some of the organizations with emergency missions and with substantial field operations (UNFPA, UNHCR, WFP, IFAD and, to a limited extent, UNIDO) have extensive internal rotation through a reassignment process, and their geographical mobility is based on a standard assignment length that is determined based on the classification of the duty station.

Table 4

Scope and characteristics of mobility policies in the United Nations common system

	Scope			*Characteristic of mobility policy*					
Organization	*Staff category*	*Post type*	*Duty station type*	*Mandatory*	*Mobility policy based on a voluntary principle*	*Geographical mobility*	*Functional mobility*	*Rotation based on standard assignment length*	*Rotation through a managed reassignment process*
UNFPA	Internationally recruited staff who occupy posts designated as rotational (post-based, not person-based)	Posts under the regular budget	Field duty stations	Yes	No	Yes	No	Yes	Yes
UNOPS	International Professional staff	All posts	All duty stations	No	No	Yes	Yes	No	No
UNHCR	International Professional staff	All international Professional positions, except expert positions	All duty stations	Yes	Yes	Yes	Yes	Yes	Yes
ILO	International Professional staff	Posts under the regular budget	All duty stations	No	Yes	Yes	No	No	No
WFP	International Professional staff	Positions classified as rotational	All duty stations	Yes	Yes	Yes	Yes	Yes	Yes
IFAD	All staff — rotation at the duty station to other positions, except for highly specialized staff. Geographical moves for international Professional staff	All posts, unless specifically excluded owing to the nature of work	All duty stations	Yes	Yes	Yes	Yes	Yes	Yes
UNIDO	International Professional staff	Field posts under the regular budget	Field duty stations	Yes (to a limited extent)	Yes	Yes	Yes	Yes	Yes (to a limited extent)

E. Costs of geographical mobility

19. There are significant cost factors associated with a mobility policy, especially for geographical moves. In its 2003 report entitled "Framework for human resources management: mobility" the United Nations Secretariat indicated that one of the specialists consulted estimated the average cost of every move at $60,000. The Joint Inspection Unit, in its 2006 report on staff mobility in the United Nations, estimated a cost of $50,000 per move (see JIU/REP/2006/7, para. 76). The Joint Inspection Unit noted, however, that these estimates referred to direct relocation costs, such as transportation, household removal, relevant insurance and staff entitlements, while hidden costs, such as time to learn the new job and settle in a new location, relevant training and induction and time required to comply with lengthy administrative procedures, were very difficult to quantify and additional to the amounts indicated.

20. Moreover, in addition to the one-time costs indicated above, there are recurrent costs associated with staff mobility, such as the mobility allowance payable to internationally recruited staff with five years of service in the common system as an incentive to encourage movement from one duty station to another. After five consecutive years at the same duty station, the mobility allowance is discontinued. A hardship allowance is also payable to internationally recruited staff on an assignment of one year or more, serving at duty stations in categories B to E.

21. UNDP, UNFPA, UNAIDS and WFP have indicated that the costs associated with mobility relate mainly to common system allowances and estimated average relocation expenses of approximately $50,000 per staff member per move.

22. The ICSC secretariat recalculated the associated one-time cost when preparing the present report. On average, for a single staff member, the relocation cost would be approximately $40,000 per move. For a staff member with three dependants (spouse and two children), it would be approximately $75,000 per move. Hence, the secretariat estimated the average one-time cost of mobility per staff member per geographical move at approximately $60,000.

23. Table 5 provides an indication of the financial implications associated with the one-time cost of mobility (geographical mobility) within organizations in 2009 using the information provided in table 2.

Table 5

Estimate of one-time costs associated with geographical mobility in 2009

Organization[a]	*Number of staff moved*	*Percentage of staff moved in 2009*	*Cost of mobility per year (United States dollars)*
United Nations	533	5.3	31 980 000
UNDP	277	11.2	16 620 000
UNFPA	105	17.5	6 300 000
UNHCR	493	29.5	29 580 000
UNICEF	380	14.0	22 800 000
UNRWA	8	4.6	480 000
ILO	91	8.9	5 460 000
FAO	49	3.1	2 940 000

Organization[a]	*Number of staff moved*	*Percentage of staff moved in 2009*	*Cost of mobility per year (United States dollars)*
WFP	337	23.0	20 220 000
UNESCO	48	5.1	2 880 000
WHO	459	21.0	27 540 000
ICAO	3	1.0	180 000
UPU	0	0.0	–
ITU	1	0.3	60 000
WIPO	0	0.0	–
WMO	1	0.7	60 000
UNIDO	7	2.3	420 000
UNWTO	0	0.0	–
Total			**167 520 000**

[a] Organizations that have a mobility policy in place are shown in bold.

24. Geographical movements of staff are costly. Organizations such as the United Nations, UNDP and UNICEF, which currently do not have a formal mobility policy, still incurred significant costs as staff members are mobile.

25. UNICEF noted that its challenge was not necessarily to have more mobility, but to have a better direction for mobility. It tried to reduce mobility costs by using the concept of a minimum time in duty station (tour of duty minus one year; full tour of duty in the case of UNICEF representatives), which had to be served before a staff member was eligible to apply to posts in another duty station.

26. UNFPA indicated that, while there were many longer-term benefits to staff mobility, such as a more flexible and highly productive workforce, it would be difficult to immediately identify and quantify the cost. This provided challenges during periods of financial austerity, as the rotation of staff among different duty stations entailed expenditures. In fact, UNFPA had temporarily deferred its rotation exercise during 2011 for financial reasons, but planned to finalize it this year. UNFPA also noted that the benefits of having a mobile workforce needed to be balanced against the need to ensure operational stability and continuity, and retention of institutional memory.

27. WFP noted that mobility had financial and institutional costs and benefits, and that the benefits of mobility to each organization would be different depending on its operational and strategic priorities and mandate.

28. While highlighting the benefits of greater mobility in enhancing effectiveness, knowledge transfer and performance, IFAD underscored that geographical mobility was extraordinarily expensive.

29. UNIDO considered that while staff mobility was a powerful tool to enhance the efficiency of programme delivery and strengthen field offices and collaboration of the United Nations system, these gains had to be duly balanced with the related costs and the division of labour between headquarters and the field.

F. Conclusions

30. Over the years, considerable time, energy and resources have been devoted to encouraging mobility in a number of organizations in the common system. There have been numerous policy statements by the General Assembly and other bodies regarding mobility.

31. Workforce mobility is a key means for the common system organizations to adapt their wide range of programmes and activities to the constantly changing needs in a dynamic global environment. It is also a critical factor for staff, since it has a major influence on both their professional and their private lives. On the organizational side, mobility facilitates the development of a versatile, adaptable and experienced staff with relevant experience, skills and competencies. For the individual staff members, mobility can enhance skills, knowledge and expertise, and keeps them up to date on the organization's mandates and activities around the world. It also provides staff with greater opportunities to build their experiences and careers, to develop their competencies as they move from one job to another, or one location to another.

32. There is much support for increasing opportunities for staff of the common system to move within and among organizations of the common system; staff, staff federations and unions, and managers have expressed interest in a broader approach to mobility. The many benefits of mobility from the point of view of staff have been spelled out on several occasions. There is, however, less information regarding the required level of mobility for an organization and reasons for such a level of mobility according to the organization's strategic plan.

33. Furthermore, there is not enough discussion regarding the associated or hidden costs of geographical mobility. Financial implications should be clearly defined before implementing mobility policies, since they can be significant. Organizations should decide in advance on the required level of mobility for their workforce based on their operational needs and mandate, taking into account the associated costs. To be effective, mobility policies should be linked to the organizational strategic plan and, most importantly, to workforce planning and budgetary processes.

34. Workforce mobility in the organizations of the common system, therefore, cannot be viewed in isolation of the context in which the organizations operate. An increase in staff mobility requires fundamental systemic changes to the way an organization does business, in terms of human resources management policy and practice, organizational design and budgetary allocation. It is for these reasons that decisions regarding mobility and the required level of mobility should emanate from a process that involves an overall examination of how best to deploy the staff to meet an organization's strategic goals over the medium to long term.

Annex IX

Definition of mobility and types of mobility

1. The concept of mobility includes movement within and across organizations, occupations and geographic locations. Therefore, mobility in the United Nations common system covers authorized movement between jobs within an occupational group, movement between functions (functional mobility) and movement between locations (geographical mobility). These moves could be called internal or intra-organizational mobility, in that they all refer to moves that would not involve any variation in the employing body. There is also inter-agency mobility, which involves movements between the entities that constitute the common system, as well as movement between organizations within the common system and outside the common system (including national governmental services, other international organizations, local or international non-governmental organizations, educational establishments, scientific bodies and the private sector).

2. In order to establish a common understanding of the terms used in connection with staff mobility, the following definitions are set out:

(a) **Movement within a single organization can entail:**

(i) Movement of staff members between different functional areas or occupational groups;

(ii) Movement between jobs in the same occupational group;

(iii) Movement of staff members between geographically different duty stations for one year or more, triggering entitlements related to relocation;

(b) **Inter-agency mobility** covers movement of staff members between the organizations of the United Nations common system and can entail all the situations mentioned in (a) above.

Annex X

Recommended net salary scale for staff in the General Service and other locally recruited categories in Rome

(Euros per annum)

Survey reference month: April 2012

Grade/step	*I*	*II*	*III*	*IV*	*V*	*VI*	*VII*	*VIII*	*IX*	*X*	*XI*	*XII*	*XIII*	*XIV*	*XV*
G-1	27 319	28 128	28 937	29 746	30 555	31 364	32 173	32 982	33 791	34 600	35 409	36 218	37 027	37 836	38 645
G-2	28 959	29 943	30 927	31 911	32 895	33 879	34 863	35 847	36 831	37 815	38 799	39 783	40 767	41 751	42 735
G-3	30 984	32 165	33 346	34 527	35 708	36 889	38 070	39 251	40 432	41 613	42 794	43 975	45 156	46 337	47 518
G-4	33 778	35 159	36 540	37 921	39 302	40 683	42 064	43 445	44 826	46 207	47 588	48 969	50 350	51 731	53 112
G-5	37 480	39 070	40 660	42 250	43 840	45 430	47 020	48 610	50 200	51 790	53 380	54 970	56 560	58 150	59 740
G-6	43 114	44 923	46 732	48 541	50 350	52 159	53 968	55 777	57 586	59 395	61 204	63 013	64 822	66 631	68 440
G-7	49 575	51 667	53 759	55 851	57 943	60 035	62 127	64 219	66 311	68 403	70 495	72 587			

A/67/30